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Information Item
**Faculty Compensation Project
Main & Branch Campus Faculty
AY2015-2016**

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Two Project Goals

- Ensure UNM Main and Branch campus faculty compensation rates are equitable, fair and as competitive as possible
- Ensure that best practices and policies that encourage and reward faculty innovation govern all compensation decisions on Main and Branch campuses

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2

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Main Campus Studies: Past and Future

- 2007 Study showed gender/race/ethnicity gaps
 - Fixes were stalled by transition in leadership, recession
- 2012 Study showed further gaps from salary “compression and inversion by rank”
 - Faculty loyal to UNM are penalized over time
 - \$1,874,000 distributed to 385 Main campus faculty
- 2015 Fall Study will look for both problems
 - Did past adjustments cure the problem?
 - \$600,000 available for distribution in AY2015/16

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How is Faculty Compensation Determined?

- **Factors in Initial Hire Negotiations**
 - Market demand (e.g., peer institution rates, salary surveys)
 - Credentials attained (e.g., terminal degree required, multiple degrees)
 - Years of relevant experience
 - Discipline-based differentials (e.g., professional schools, STEM currently command higher salaries than arts, humanities, social sciences , education)
 - Implications for pre-existing faculty (i.e., need to avoid creating new compression or inversion by rank problems)
 - Availability of recurring revenue (budget constraints)

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How is Faculty Compensation Determined?

- **Factors in Subsequent Comp Adjustments**
 - Merit Increases for Performance
 - Cost of Living Increases
 - Promotions in Rank or Title
 - Retention Counter-Offers (market demand)
 - Correcting for Compression and/or Inversion by Rank (“Loyalty Tax”)
 - Equity analyses (formal compensation adjustment programs to correct statistically-validated anomalies not explainable by workload or performance)
 - Availability of recurring revenue (budget constraints)

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Best Practices for Preventing Inequities

- **Assess**
 - Conduct statistically valid analyses
- **Adjust**
 - Make filling any gaps a budget priority
- **Prevent**
 - Adopt effective policies to prevent inequities
- **Repeat**
 - Every 3-5 years

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Fall 2015 Project

- **Why? Why Now?**
 - Because it's the right thing to do
 - Because Academic Affairs obtained \$600,000 in the FY2016 budget of recurring revenue for investing in Main Campus salary adjustments
 - Because when UNM can demonstrate it does not have any inequities in this compensation, and that it has policies and processes in place to ensure new inequities are not created, this will provide UNM with a competitive advantage in future faculty retention and recruitment efforts

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2-Part Process for Fall 2015 Project

- **Part One–Data Analysis & Comp Adjustments**
 - Develop capacity to routinely and regularly undertake compensation data analysis
 - Economists at UNM's Bureau of Business & Economic Research (BBER) will work with UNM's Faculty Data Stewards
 - Methodology for both analysis and any adjustments will be overseen by faculty steering committee
- **Part Two – Policy Analysis**
 - Policy analysis & recommendations for administrators and Faculty Senate Policy Committee
 - Faculty steering committee oversight

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Process/Policy Improvement Goals

- Prevent creation of new problems when setting salaries for new hires
 - Obtain better market data to guide hiring offers
 - Establish policies that ensure equity analysis occurs before salary offers are made
 - Establish policies that make hiring officers responsible for not creating further inequities through new hire offers (must first take care of existing faculty)

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Process/Policy Improvement Goals

- Prevent creation of new problems through subsequent compensation adjustment process
 - Establish policies and provide resources to guide supervisors through subsequent compensation adjustments for merit, etc.
 - 2007 Study showed that the reward/merit structure and workload assignments were not uniform across Main Campus colleges and departments

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Guest Speakers

- Kevin Gick, J.D.
 - UNM Associate University Counsel

- Abigail Stewart, Ph.D.
 - University of Michigan
Sandra Schwartz Tangri Distinguished University
Professor of Psychology and Women's Studies;
Director of the UM ADVANCE Program (2002-)

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Faculty Advisory Committees

- **Committee 1: Oversees Comprehensive Salary Study & Salary Adjustment Process**
 - Charge #1: Monitors work of analyzing current continuing faculty base salaries to identify whether gender, ethnicity disparities exist; helps oversee process for correcting any if found
 - Charge # 2: Simultaneously monitors work of identifying any compression/inversion by rank; helps oversee process for correcting any if found
 - Charge #3: Helps educate stakeholders about findings and recommendations throughout the process

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Faculty Advisory Committees

- **Committee 2: Oversees Development of Appropriate Salary Setting Policies**
 - Charge #1: Contributes to establishment of policies for salary setting which will decrease or prevent creation of any future disparities
 - Charge #2: Contributes to establishment of policies that ensure the occurrence of regular salary reviews of the type overseen by Committee 1
 - Charge #3: Helps educate stakeholders about the process and recommendations throughout the process

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Actions Items and Timeline

- Summer 2015 stakeholder convening, data collection, methodology development
- Fall 2015 data and policy analyses
- December 2015 final reports anticipated
- Spring 2016
 - Invest \$600,000 now available in FY16 budget
 - FY17 budget requests justified if gaps still exist
 - Policy development continues with Faculty leaders, senior administrators