

College of Food, Agricultural, and Environmental Sciences FY2012 Compensation Policy for Faculty and Staff

Overview

The University's compensation philosophy provides a market-based, performance-driven framework for compensation. All recommended salary increases must be based on performance, market and/or equity considerations. There are no across-the-board or automatic increases. The compensation process is to be used to inspire achievement and to reinforce performance and accountability.

In addition, transparency is particularly important in compensation planning where the compensation increase criteria should be documented, available, and aligned with the mission and goals of the College.

Through its reward system, the College seeks to support the accomplishment of its mission. A reward system does this by (1) motivating and rewarding excellent performance, (2) providing explicit rewards to faculty and staff based on available resources, and (3) by responding to market forces to attract and retain the highest quality faculty and staff possible. Attracting and retaining a talented university work force is a key university priority in the University Academic Plan. Even in difficult budget years, the College must maintain its focus on reaching and maintaining the compensation levels of our benchmark institutions.

Annual Salary Guidelines

The College establishes annual salary guidelines in accordance with guidelines set by the University. These guidelines apply to all regular faculty and staff positions regardless of the source of funding for their salaries or their location.

Generally, all departments and units receive the same aggregate percentage guidelines. In future years, it is possible that guideline amounts will vary by unit based on overall unit performance since University policy currently allows Colleges to differentiate the departmental aggregate percent of increase. (However, department aggregate increases below the discipline's average anticipated external market increase for any given year must be approved in advance.)

Annually, the College will announce an aggregate percentage increase that is comprised of two components. The first of these is for merit. This is to compensate for performance that is meritorious and meets or exceeds expectations. The second component is to be directed toward rewarding special cases of excellence and to address specific equity and/or market issues. The breakdown of these two components and the overall aggregate percentage increase will be determined each year. Each department and other units must distribute salary increases equal to the aggregate percentage increase allowed. Departments and other units are responsible for establishing the criteria and process for determining individual raise amounts and must communicate that to all faculty and staff.

In developing the aggregate percent increase, the College will consider the overall market position of the college and its units as is known or available, the goals of the

University Compensation Initiative, availability of funds, and expected increases at comparable institutions and markets. College/unit budget pools will be posted on the Office of Human Resources website after the budget process has been completed. Depending on the availability of funds, the costs of salary adjustments may be paid for via the reallocation of existing departmental and unit resources.

Consistent with University policy, the aggregate percent of increase for faculty, unclassified staff, and classified staff remains separate. This policy excludes bargaining unit employees.

For FY2012 the following guidelines have been established by the college for determining salary increases:

The aggregate average salary increase for each unit will be 2.0%. Of this amount, 1.0% should be spread across those whose performance meets expectations. This means that some will receive less than 1.0% and others will receive more, based on performance. The remaining 1.0% is to be held aside by each department and school to address truly excellent/stellar performance and/or special equity/market issues.

Process Details

Salary increases for faculty promotions, counter-offers, specific awards, and other related actions are not included in the aggregate calculations. Faculty promotions are rewarded with adjustments of 6% on a faculty member's annual base salary. During the Annual Merit Compensation Process (AMCP), each promoted faculty member must also receive at least the aggregate percentage merit increase in addition to the promotional increase.

Zero increases are possible for faculty and staff.

All faculty and staff, regardless of hire date or probationary status, are eligible for annual merit salary increases per University guidelines and dependent on performance. Departments/Units should delay implementation of raises for staff on probationary status until successful completion of the probation.

Departments/Units may make recent hires ineligible if this is stated in an offer letter or unit policy or other communication that the hiring salary is intended to remain constant until a future salary review period.

Departments/Units may make individuals who are resigning, retiring, being laid-off, or on severance ineligible.

Prior approval is required for any individual increase exceeding 10%. Faculty promotions are an established exception since many exceed 10%.

Returning graduate associates with equivalent appointments are also considered to be participating in the Compensation Initiative. Those who are performing well should receive compensation increases consistent with the average increase in the aggregate percent of increase.

Although the University will allow external grant-funded areas to have the flexibility to use available increase funds with college/unit approval, this College will use the same aggregate percentage increase for all faculty and staff regardless of funding source.

All faculty and staff members must be notified of their annual salary adjustment in writing; this should include a brief statement on the rationale. This presumes also that all faculty and staff have also received an annual evaluation that has been documented in writing. These notifications should be sent out promptly *after* the College has issued an announcement that the salary adjustments as submitted to the University are approved.

Each academic and administrative unit may implement more specific policies. These must be in alignment and consistent with the College policy.

Comments on this policy from faculty and staff are welcomed. They may be sent to Bob Moser, Vice President and Dean, at moser.2@osu.edu.