

## **FACULTY MERIT PAY: PROBLEMS AND PROSPECTS**

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UMCP faculty members are fortunate that University Regulations [Sec.VII-4.00(a)] include procedures by which they can receive periodic salary increases based on a review of their recent professional achievements. In brief, whenever overall UMCP budget conditions permit, a portion of the annual campus budget is set aside in a “merit pay fund”. This fund is then distributed among the various schools and colleges in proportion to their total annual salary budgets. Deans have some discretion in the subsequent distribution of funds among departments, but it appears that the principle of proportionality to total salary budgets is generally followed. Departments are charged with responsibility for establishing procedures for the distribution of the departmental “merit fund” among their members. The specific procedures to be followed in the discharge of these responsibilities may vary, within certain general guidelines, among departments, and may include the reservation of some portion of the fund for discretionary distribution by the chair. The procedures to be followed in each department are supposed to be spelled out in detail in the departmental “Plan of Operation”, and require approval by majority vote of the tenured and tenure-track department members

A key aspect of merit pay distribution is the establishment of faculty committees to review the accomplishments of individual faculty members during some specific period of time (time periods vary among departments), and to recommend merit pay allocations to the chair on the basis of this information. These are referred to in the Regulations as “salary committees”, but that terminology is misleading. They would be more accurately described as “merit pay committees”, since they are not charged with overall review of departmental salary levels, structures, and long-term salary equity issues. These latter responsibilities are specifically assigned to the chair.

The current merit pay system was originally established in 1992, and modified in 2002. It is due for Senate review during 2007-2008. In my three years of service as Faculty Ombuds Officer I have had occasion to examine the merit pay practices of a number of departments, and have taken the opportunity to inquire about these practices in informal conversations with other faculty colleagues. On the basis of this admittedly incomplete knowledge, I would like to offer the following general observations:

1. Merit pay policies and practices vary considerably among departments, and—while some variation is both permissible and desirable—the extent of variation is not well known, and possibilities for constructive information-sharing among departments are not encouraged.
2. Actual practices within departments typically depart in various ways from those described in their respective Plans of Organization; some of this variation is trivial, but some may be substantive.
3. Faculty members are not generally aware of the policies and practices of their departments in any detail. For example, many faculty members apparently do

not know what portion, if any, of their departmental merit fund is withheld by the chair for discretionary distribution.

It is my hope that the reexamination of merit pay policies by the Senate during the coming year will include a systematic effort to gather basic factual information about merit pay policies and practices across the campus. I also hope that this review will generate a number of ideas for consideration by individual departments as they adapt the merit pay distribution process to their individual characteristics and needs.

### General Principles

In my view, policies and practices for the distribution of merit pay should meet three criteria: **equity**, **efficiency** and **transparency**.

**Equity:** Merit pay distribution should be “fair”, treating comparable cases equally. I have not heard any allegations of unfairness with respect to committee recommendations, so far as they are known; however, discretionary distributions by chairs are often criticized, usually on the basis of hear-say or incomplete information.

**Efficiency:** The merit pay distribution process should absorb no more time and resources than are appropriate to the task. Some faculty members complain that the work involved in merit pay distribution is sometimes disproportional to the amounts of money involved. However, faculty-supported decisions to make uniform distributions to all qualified parties have been rejected at higher administrative levels in some cases.

**Transparency:** Departmental Plans of Operations should describe merit pay policies and practices in a clear and comprehensive fashion, and faculty members should be able to have confidence that the processes and practices described there are actually being implemented.

### Some Specific Suggestions

In my view, the single practice that would do most to improve (and to improve satisfaction with) merit pay distribution practices would be the circulation of a copy of each department’s merit pay distribution plan along with the annual request for updated faculty performance information. Since the annual requests for information are ordinarily made via email, no massive distribution of useless paper would be involved. But circulation of this basic information about the process should (a) draw the attention of all parties to the specific content of the adopted policies, and encourage consistency between stated policies and actual practice; and (b) stimulate faculty members, chairs and deans to consider possible improvements in stated policies that might be brought up for consideration.

There seems to be wide variation among departments in the role of the chair in the merit pay distribution process. As noted above, the Regulations permit chairs, with faculty approval, to reserve some portion of the merit pay fund for discretionary distribution. Some chairs avail themselves of this privilege (and the percentage of total

funds reserved varies among departments); others do not. In some cases the chair participates directly in merit pay committee deliberations; in others, the committee functions independently. It seems that in most departments the committee makes a single recommendation to the chair. However, in some departments the “committee” as such does not function, and individual committee members provide the chair with their own confidential recommendations. University Regulations *require* that chairs provide feedback to committee members about final merit pay distributions (including discretionary distributions). However, this practice seems to be rare.

Merit pay committees also exhibit considerable variety. University Regulations require that the members of such committees be elected by the department members, and that a mix of tenured and tenure-track members should be included. In some departments (usually small ones) committee elections are department-wide. In others (usually large ones) committee members are specifically chosen to represent different departmental sub-groups. In a large department with many sub-groups, the latter practice may produce inconveniently large committees. Some units deal with these problems by establishing a specific rotation of committee participation among sub-groups, so that every group is represented within a specific time period, though not in any given year. University Regulations require that merit pay policies include a mechanism for appeal. It would seem that such appeals might be directed to the merit pay committee itself, since the focus of an appeal is on the final allocations by the chair, and not on the committee recommendation alone.

Some of the above matters might be addressed through a memorandum of options for possible consideration by departments, rather than by explicit changes in the Regulations themselves. At the present time, too little is known about actual merit pay policies and practices across departments. I hope that the Senate’s work on this matter will begin with an effort to find out the facts.

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