University Senate
TRANSMITTAL FORM

Senate Document #:	09-10-04
PCC ID #:	N/A
Title:	Review of the Faculty Merit Review Policy
Presenter:	Eric Kasischke, Chair, Faculty Merit Pay Taskforce
Date of SEC Review:	April 20, 2010
Date of Senate Review:	April 29, 2010
Voting (highlight one):	1. On resolutions or recommendations one by one, or 2. In a single vote 3. To endorse entire report
Statement of Issue:	The President and the Senate formed a joint taskforce to review the implementation of the existing faculty merit review process and consider whether or not changes to the Merit Review Policy are warranted.
Relevant Policy # & URL:	http://president.umd.edu/policies/docs/vii-400a.pdf
Recommendation:	The Faculty Merit Pay Taskforce recommends: • The University of Maryland's Policy on Merit Pay Review should be revised to ensure that each unit responsible for Merit Pay Review develops a plan that is consistent with the requirements outlined in the Policy on Merit Pay Review. All merit pay plans should be reviewed and approved by the Senate's Faculty Affairs Committee. • The policy should be revised to require that during years when merit pay is not available, merit ratings from those years must be considered the next year merit pay is available to ensure that faculty achievements in all years are accounted for when assigning merit. • Unit heads should develop procedures to ensure that all new faculty members are provided with a comprehensive review of the unit's merit pay plan. • The Provost should develop a plan to address salary compression and equity issues, including an appeals

	process. • The policy that longevity and length of appointment can be recognized when making merit pay recommendations should be removed. • The name Salary Committee should be changed to Merit Pay Committee.
Committee Work:	The taskforce met throughout the 2009-2010 academic year. They requested copies of Merit Pay Distribution Plans from all units on campus responsible for determining the distribution of merit pay. The taskforce evaluated each unit plan to see if it aligned with the current policy. In addition, an online survey was developed to provide the opportunity for all University of Maryland faculty to provide feedback on their unit's merit pay plan. The taskforce evaluated all of the data from the survey. The revisions to the policy were vetted with the University Legal Office. The committee voted to approve the revisions to the policy and the report on April 13, 2010.
Alternatives:	The current policy would remain and implementation problems could continue.
Risks:	If the policy is not changed and properly implemented, we will not have a valid system of evaluating faculty merit pay.
Financial Implications:	There are no financial implications.
Further Approvals Required: *(*Important for PCC Items)*	Presidential Approval

Report of the Faculty Merit Pay Task Force

12 April 2010

Executive Summary

The University of Maryland's Policy on Merit Pay Distribution [VII-4.00(A)] was approved by the President on 13 April 1992 based upon a report from the Merit Pay Task Force that was endorsed by the Senate on 22 May 1991. This policy was reviewed by a second Task Force in 1999 which resulted in an amended policy that was approved by the President on 19 February 2002. The policy calls for an additional review of the effectiveness of the amended policy by a joint task force appointed by the President and the Senate; therefore, on 12 November 2009, a Task Force was appointed by President Mote and Senate Chair Miller-Hooks to conduct this review. The members of this Task Force are listed in Appendix A, and its charge is presented in Appendix B.

To conduct its review, the Task Force requested copies of Merit Pay Distribution Plans from all units on campus responsible for determining the distribution of merit pay. In addition, an online survey was developed to provide the opportunity for all University of Maryland faculty to provide feedback on their unit's merit pay plan. The questions used in this survey are presented together with complete analyzed results in Appendix C.

Overall, the Task Force was impressed by the efforts that some units had devoted towards development of Merit Pay Distribution Plans, and, in particular, the approaches developed by a majority of units to provide a fair and equitable review of the achievements of individual faculty. However, the Task Force was concerned by an apparent lack of awareness across units of the key elements required by the University's Policy on Merit Pay Distribution. These included the need to consider achievements over multiple years in assigning merit, the requirement to notify faculty members and salary committees of the final decisions on merit pay distribution, and the rights of faculty members to appeal merit pay decisions (and to have an appeals process in place). The results of the survey of faculty showed a low level of faculty satisfaction with unit merit pay policies and procedures and our analysis suggests that this dissatisfaction is largely based on the

above areas of plan weakness. There was also an apparent lack of knowledge among junior faculty of policies and processes pertaining to merit pay[1].

More specific findings of the Task Force are summarized as follows:

- Less than half of the faculty respondents (46%) to the Task Force's survey were satisfied or very satisfied with the process their units use in determining merit pay.

- While 74% of professors said they had full knowledge of their unit's merit pay policies and procedures, only 39% of assistant professors said they were fully knowledgeable.

- Less than half (41%) of all faculty respondents indicated that their units fully followed their written policies.

- Less than a fifth (17%) of respondents replied that their unit had a satisfactory appeal mechanism.

- While the use of merit pay to address salary equity and compression is allowed within the current merit pay review policy, the lack of procedures within the university policy and unit plans to appeal decisions regarding these issues is a source of concern among faculty.

- Half the faculty respondents (50%) said that good performance in years without merit money is not rewarded in their units. While the university policy calls for consideration of achievements over multiple years in rating merit, the current policy does not provide a clear mechanism to account for faculty achievements during years when merit pay is not available.

[1] It is important to note that the above observations parallel those made by Faculty Ombuds Officer Lee Preston in a 1 March 2007 Faculty Voice article (see Appendix D).

- The Task Force found fewer than 5% of the plans met all the requirements set forth in the Policy. On average, current plans included only 52% of the elements required by the present policy. Elements that were particularly under-represented in current plans included: procedures for appealing merit pay decisions (in 18% of plans), notification of individual faculty of merit pay decisions in writing (in 31% of plans), use of achievements from multiple years in performing evaluations of merit (in 39% of plans), and notification of the unit's salary committee of the final decisions on merit pay distribution (in 42% of plans).

- The overall low level of compliance by individual units to campus policy suggests that the current policy's requirement that unit plans be reviewed and approved by the next higher administrative unit is not effective. Moreover, a mechanism does not exist to ensure that all units develop a plan containing required elements of the policy.

- The Task Force concluded that salary compression and equity represent serious and systemic issues that cannot be readily addressed via the Policy on Merit Pay Distribution.

- The Task Force found that using longevity as a criterion in rating merit contradicts the criterion that merit be based on achievements over the past several years.

- The label "Salary Committee" used in the current policy does not accurately reflect the role of this committee, which is to evaluate the merit of faculty members based on their performance.

The Task Force's overall assessment is that the key elements of the Policy on Merit Pay Review provide the foundation for a fair distribution of merit pay based upon criteria that can be customized to meet the unique circumstances of individual units. The root cause of much of the dissatisfaction lies in the lack of compliance with these elements within the majority of the current plans. The Task Force's overall assessment is that the key elements of the Policy on Merit Pay Review provide the foundation for a fair distribution of merit pay based upon criteria that can be customized to meet the unique circumstances of individual units. Faculty

dissatisfaction is further magnified by the absence of procedures to inform new and junior faculty about the criteria used to evaluate merit and the process used in making merit pay decisions, as well as the process for addressing salary equity and compression.

Task Force Recommendations

- The University of Maryland's Policy on Merit Pay Review should be revised to ensure that each unit responsible for Merit Pay Review develops a plan that is consistent with the requirements outlined in the Policy on Merit Pay Review. All merit pay plans should be reviewed and approved by the Senate's Faculty Affairs Committee.

- The policy should be revised to require that during years when merit pay is not available, merit ratings from those years must be considered the next year merit pay is available to ensure that faculty achievements in all years are accounted for when assigning merit.

- Unit heads should develop procedures to ensure that all new faculty members are provided with a comprehensive review of the unit's merit pay plan.

- The Provost should develop a plan to address salary compression and equity issues, including an appeals process.

- The policy that longevity and length of appointment can be recognized when making merit pay recommendations should be removed.

- The name Salary Committee should be changed to Merit Pay Committee.

1. Key Elements of the University's Merit Pay Review Policy

Based upon its review, the Task Force determined that the University's Merit Pay Review Policy requires that each academic unit develop a merit pay review plan that includes the following elements:

1. A provision for the approval of the plan by a majority of the faculty in a secret vote.*[2]
2. A method for election of a Salary Committee whose make-up takes into account gender and racial diversity as well as the range of disciplines in the unit.
3. A clearly articulated method for the evaluation of merit that provides recognition for teaching, research/scholarship/creative activity and service, where some modifications are allowed in the weight given to these areas depending on the nature of the particular unit.
4. A procedure for the evaluation of merit that considers activities over several years.
5. A written letter to all faculty members informing them of their merit pay.
6. A report on merit pay distribution from the Unit Head to the Salary Committee.
7. Notification of a faculty member's right to appeal.*
8. A process for the appeal of merit pay decisions.*

2. Review of Individual Unit Plans for Merit Pay Distribution

The Task Force determined that a large number of units had submitted copies of their approved merit pay review plans to the Office of Academic Affairs when the Policy on Merit Pay Review was implemented in 1992 (65 out of 69 units); however there was no record indicating that units submitted revised plans for approval after the policy was amended in 2002. As a result, the Task Force had to request copies of Merit Pay Distribution Plans from all academic units (a total of 67 as of December 2010). We also queried 23 non-academic units[3] to determine if they had Merit Pay Distribution Plans or participated in any way in merit pay decisions. We received 62 responses to our requests, 52 from academic units (78% of all academic units) and 10 from non-academic units (43% of all non-academic units). Of the 46

[2] In the previous review of the Policy on Merit Pay Review, the 1999 Task Force determined that the policy called for five elements to be included in all merit pay review plans, and based their review on these five elements. The 2009/10 Task Force determined the policy calls for eight elements. The additional three elements used by the current Task Force are denoted with an asterisk (*).

[3] Non-academic units include research centers, programs, and institutes.

plans that we reviewed (45 from academic units and 1 from a research institute[4]), 60% had been revised within the past 5 years, but 23% had not been revised in the past 10 years.

Seven academic units (of the 52 responding) stated that they had no Merit Pay Distribution Plan and that merit reviews and merit pay decisions were largely left to the discretion of the unit heads. All unit heads that replied to our questionnaire (55% of the total number of units) thought that their unit's Merit Pay Distribution Plans were in compliance with the University's policy. The review of the plans, however, showed that the majority did not comply with all the requirements of the policy. The average rate of compliance with all components of the policy was 52% (Table 1). This compares to an average compliance rate of 74% in the 1999 review of Merit Pay Distribution Plans; however, the previous review did not include three elements that were used in our review[5].

The review of the 46 submitted plans revealed the following:

- There was a high rate of compliance with the requirement that the plans articulate criteria for evaluating merit (87%).
- A high portion (73%) of the plans called for election of a salary committee, and 67% of the plans also called for the election of a representative committee.
- A little over half (56%) of the plans called for notifying faculty members about the decision on merit pay increases and 31% called for a letter notifying the faculty member of the individual merit pay decision.
- Only 18% of the plans required informing the faculty of their right to appeal, and 14% of the plans contained an appeals process.
- More than one-third (38%) of the plans required that achievements over several years be considered in merit pay reviews.
- Less than half (42%) of the plans called for the unit's salary committee to be informed of the final decisions on merit pay distribution.
- The rates of compliance in addressing required elements of the merit pay policy actually decreased from those found in the previous survey (Table 1).

[4] Nine of the non-academic units responded that they did not have merit pay review plans.
[5] If these three elements were removed from the results of the current review, the rate of compliance increases to 58%.

Table 1. Summary of rates of compliance with individual elements of the Policy on Merit Pay Distribution.

Policy Requirement	Units in Compliance	
	2010	1999
1. Development of a merit pay distribution plan (academic units only)	87%	99%
2. Approval of plan by secret faculty vote	35%	n/a
3. Election of salary committee by faculty	73%	91%
4. Election of a representative salary committee	73%	na
4a. Faculty rank representation	55%	77%
4b. Diversity representation	43%	46%
4c. Discipline representation	39%	na
6. Method of evaluation for merit articulated clearly	86%	na
7. Achievements over several years considered when reviewing merit	39%	na
8. Letter to faculty member providing merit pay decision	32%	na
9. Notifying faculty member of merit pay increase	55%	53%
10. Notifying faculty member of right to appeal	16%	na
11. Appeals process	30%	na
12. Notification of salary committee of final merit pay decisions	41%	74%

3. Review of Faculty Survey Responses

A survey instrument was developed to provide information on the satisfaction/ dissatisfaction of faculty members with the Merit Pay Distribution. The survey was pre-tested several times among Task Force members, and a final version was made available electronically via SurveyMonkey. The survey was announced via email to all 1455 tenure and tenure-track faculty on the campus (assistant professors, 340; associate professors, 452; professors, 663).

The survey included 12 questions concerning faculty knowledge about, attitudes toward, and satisfaction with merit pay allocation. Faculty members were asked via email on 15 February 2010 to complete the survey, and this request was repeated on 19 and 25 February to increase the response rate. There were 624 respondents to the survey, giving an overall response rate of 40%. It should be noted, however, that since the respondents were self-selected, the results from the survey do not necessarily represent an unbiased sample. A detailed analysis of this survey is contained in Appendix D to this report. A summary of the Task Force's findings from the survey are as follows:

- Faculty awareness of policies and procedures used in their unit varied as a function of appointment, with 74% of Full Professors, 63% of Associate Professors, and 39% of Assistant Professors answering that they were fully aware of their units plans (average across all: 62%).

- Overall, only 50% of the faculty stated they had a complete understanding of the expectations and criteria used in merit decisions, while 34% had a partial knowledge. Knowledge in this area was again higher for professors (65%) compared to associate professors (49%) and assistant professors (30%). Fully 25% of assistant professors said that they did not know the performance criteria or expectations in their units.

- Less than half (only 41%) of all faculty respondents indicated that their units actually followed their written policy. On average, 22% thought the policy was followed partly, 7% said that it was not followed, and 23% did not know, while 8% indicated that this question was either not applicable or that there was no written policy.

- Only 17% of respondents replied that their unit had a satisfactory appeal mechanism. A further 6% said there was a mechanism, but that it was unsatisfactory, and 26% said there was no appeal procedure. That left almost half (49%) who did not know whether an appeal mechanism existed. Assistant professors were least likely to say that there was a satisfactory appeal mechanism (7%) and the most likely to say they didn't know (73%).

- One-third of respondents (35%) replied that in years with no merit money available, performance was averaged over multiple years in their units, but fully 50% replied that performance for years without merit money is not rewarded at all. A very small fraction (2%) replied that funds from other sources were used to reward performance, and the same number said that non-monetary rewards were given.

- Overall, only 42% of the respondents were satisfied or very satisfied with the merit pay distribution process, with the level of satisfaction being dependent on rank (professor = 55%, associate professor = 39% and assistant professor = 25%) (Figure 1).

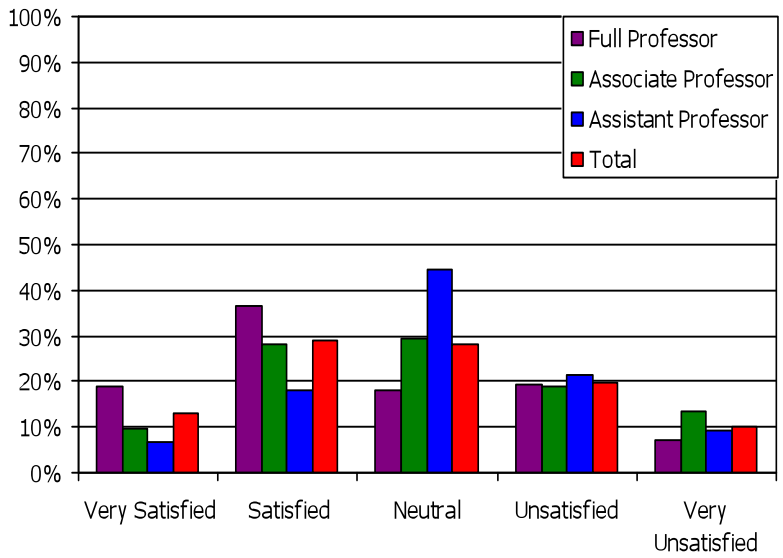


Figure 1. Level of overall satisfaction with the process actually used in your unit to allocate merit pay.

One survey question provided the opportunity for faculty members to provide open-ended comments about merit pay distribution and the University's policy. These responses were analyzed using thematic analysis and categorized into four themes that provide additional insight into the nature of faculty issues and concerns about merit pay allocation procedures. The results from this analysis are summarized in Table 2.

Table 2. Summary of results of analysis of responses from survey participants on concerns about merit pay distribution plans.

Theme	Examples
1. Issues related to system design: effort relative to incentives, overall alignment with other compensation policies	• Merit review pot not large enough to be a motivator • Same bounded reward (merit pot) utilized for multiple purposes (e.g., salary raises, merit pay, retention, market adjustments for new and existing hires) • No mechanisms to deal with salary compression, a separate issue than rewarding merit
2. Issues related to fairness and transparency,	• Designed to unfairly reward faculty with longer tenure • No capability to carry forward good performance • Evaluators unable to conduct a valid assessment • Lack of objectivity in process: favoritism and cronyism
3. Concerns with merit pay assessment criteria	• Evaluation criteria not aligned with work-load expectations • Research overemphasized relative to teaching and service
4. Faculty knowledge of the merit pay process	• Junior faculty do not always know that such a policy exists • Overall process details are opaque

4. Additional Issues

Currently, the Policy on Merit Pay Review does not call for an annual review of merit, which means that units can decide not to conduct merit reviews during those years when merit pay is not available. This practice can lead to inequities in evaluation of merit in a consistent fashion over a number of years, especially during economic recessions when state budgets are affected for long time periods.

The current Policy on Merit Pay review allows for retention of a portion of the merit pay pool to address issues of equity and compression at all administrative levels (Provost/Dean/ Chair). The Task Force recognized that it would be very difficult to address all salary and compression issues through distribution of a limited merit pay pool. Thus, the Task Force believes that development of a policy to address salary equity and compression would be important to addressing this concern.

The Task Force concluded that the current policy's allowance for taking longevity into account in assessing merit contradicts another part of the policy calling for merit decisions to be based on accomplishments over the past several years. The use of longevity in merit evaluations leads to the perception that merit pay decisions are sometimes based on factors unrelated to the actual accomplishments of faculty members. The Task Force believes this part of the policy should be removed.

Finally, the Task Force concluded that the "Salary Committee" title does not accurately reflect the responsibilities of the committee. The actual role of this committee is to evaluate the accomplishments of individual faculty members for determination of salary increases from the distribution of merit pay. The Task Force recommends that the name be changed to Merit Pay Committee to reflect the role of this group.

5. Recommended Changes to the Policy (changes are in red)

VII-4.00(A) UNIVERSITY OF MARYLAND POLICY ON FACULTY MERIT PAY DISTRIBUTION

APPROVED BY THE PRESIDENT, APRIL 13, 1992; AMENDED FEBRUARY 19, 2002; AMENDED APRIL 29, 2010

This administrative policy addressing faculty merit pay distribution was developed pursuant to the Report of the Merit Pay Task Force endorsed by the Campus Senate on May 22, 1991.

I. Administration, procedures and policies at the Provost and Dean level.

A. Merit dollars will be transmitted from the Provost to the Deans as a percent of total salary budget. A small percent of the merit increment may be maintained in the Provost's office to reward colleges which are exceptionally productive in the areas of research ~~and~~ /scholarship~~,~~/creative activity, teaching and advising, and service, or to address special problems.

B. Deans will distribute funds to departments using their discretion. Deans should distribute money to reward departments which are exceptionally productive in the areas of research and scholarship, creative activity, teaching and advising, and service. Deans may retain a small percentage of salary money for special problems.

II. Departments

A. The Chair has the authority and responsibility to determine merit increases with the approval of the Dean. However, the Chair will be required to follow certain procedures as outlined below.

B. Each unit shall develop a merit pay distribution plan. ~~There should be a requirement that~~ The plan must include approval by a majority of the tenured/tenure track faculty of the unit ~~approve the plan by a majority vote~~ in a secret ballot. Following approval by the faculty, ~~E~~each unit's merit pay distribution plan shall be reviewed for sufficiency and consistency with University ~~salary~~ merit pay policy first by the Dean and then by the Senate's Faculty Affairs Committee ~~policy-setting faculty body and the administrator at the next higher administrative level (for non-departmentalized schools and colleges, the policy-setting faculty body at the next higher level shall be three elected faculty members from the Senate Executive Committee chosen by the Chair of the Senate)~~. The plan should include the following components:

1. A Merit Pay ~~Salary~~ Committee. The ~~Salary~~ Merit Pay Committee shall be directly elected by the tenure-track and tenured faculty and shall contain a distribution of faculty from the tenure-track and tenured ranks. In the case

of the Library faculty, the ~~Salary~~ Merit Pay Committee shall be directly elected by the permanent status-track and the permanent status faculty and contain a distribution of faculty from the permanent status-track and the permanent status ranks. Insofar as possible, the ~~Salary~~ Merit Pay Committee's composition shall also reflect the gender and racial distribution and the various scholarly interests of the department. In the case of the Library faculty, the ~~Salary~~ Merit Pay Committee shall be directly elected by the permanent status-track and the permanent status faculty and contain a distribution of faculty from the permanent status-track and the permanent status ranks. It is recognized that this distribution may not be achievable on a year by year basis in some departments, but over a period of years, a reasonable degree of representativeness should be achieved. Each year the chair shall review the makeup of the ~~Salary~~ Merit Pay Committee over the previous five years to assure that a reasonable representation has been achieved and if it has not, the chair is to take appropriate action to rectify the situation.

a. The ~~Salary~~ Merit Pay Committee may act as an advisory committee to evaluate and rank faculty accomplishments with merit dollar distribution left to the Chair's discretion or may actually act with the Chair to distribute merit dollars. (The term *Chair* refers to a Chair, Director, or Dean of a non-departmentalized school or college.)

b. The method of selection of the ~~Salary~~ Merit Pay Committee should be an integral part of the merit pay distribution plan.

2. The plan should include procedures for evaluation that meet the following criteria:

a. The evaluation procedure should evaluate and give significant recognition to contributions to teaching, research/scholarship/creative activity, and service, including advising and extension efforts or professional activities in the case of Library faculty. The method of evaluation in each of these areas should be articulated clearly.

b. The evaluation should reflect performance over at least the ~~last several~~ immediate past three years. For years when merit pay is not available, the achievements of the faculty members will be taken into consideration for that year (or years) during the next year in which merit pay is available.

c. Merit pay should generally be distributed in dollar increments rather than as a percentage of salary.

d. A stipulated portion of the merit pool may be reserved for the Chair's discretionary use to address special salary problems.

e. The Chair shall report to the Salary Committee his or her final salary recommendations.

f. Each faculty member shall receive a letter from the chair containing their new salary and their salary increase. The letter should identify (at least in general terms) the Merit Pay Committee's evaluation of the faculty member in the areas of teaching, research/scholarship/creative activity, and service and how this was used to assign the merit increase. ~~identifying the component of the increment that was ascribed to merit.~~ The letter shall ~~invite~~ inform the faculty member that they may ~~to~~ request a meeting with the chair~~, if they so desire,~~ to receive an explanation of ~~their evaluation and of~~ the merit pay decision.

~~g.~~ ~~Length of employment should not be the major determinant of merit salary, but the plan may recognize longevity.~~

3. The Merit Pay Committee and Chair will each certify that they have followed the unit's Merit Pay Distribution Plan, or will indicate areas where they have deviated with a rationale.

~~3.~~ 4. Each chair shall evaluate the salary structure of the department yearly and consult with the appropriate administrators (Dean or the Provost) to address salary compression or salary inequities that have developed in the unit.

~~4.~~ 5. The Plan should include an appeals process.

III. Implementation and Review

A. ~~Within one year of approval of these recommendations~~ ~~e~~Each unit will submit its plan as specified in II.B by December 1, 2010. Notice of approval by the Dean and the Senate Faculty Affairs Committee shall be given to the originating unit and a copy of the approved plan shall be transmitted to the Office of Academic Affairs.

B. No later than five years after implementation of these recommendations a task force jointly appointed by the President and the Senate shall evaluate the effectiveness of these recommendations.

C. This policy is subject to the applicable policies of the Board of Regents, including its salary policy.

Appendix A – Task Force Members

Ritu Agarwal, BMGT

Jordan Goodman, CMPS

Robert Jackson, AGNR

Eric Kasischke, BSOS (Chair)

Sally Koblinsky, President's Office

Courtland Lee, EDUC

Zita Nunes, ARHU

Arthur Popper, CLFS

Ellin Scholnick, Provost's Office

Elisabeth Smela, ENGR

Appendix B – Task Force Charge

Charge

The President and the Senate request that the Faculty Merit Pay Taskforce review the implementation of the existing faculty merit review process and consider whether or not changes to the Merit Review Policy are warranted. The current policy can be found at: http://president.umd.edu/policies/docs/vii-400a.pdf.

Specifically, we would like the taskforce to:

1. Survey a sufficient number of University academic units on their existing processes;
2. Identify differences in the ways in which the academic units handle their reviews;
3. Identify issues that arise in the policy's implementation, possible solutions and best practices; and
4. If warranted, suggest changes to the policy to address identified concerns and facilitate future implementation that is consistent with the policy's main tenets.

For your reference, we have attached a copy of an article in the Faculty Voice by Faculty Ombudsperson, Lee Preston entitled, "Faculty Merit Pay: Problems and Prospects".

We ask that you submit your report and recommendations to the Senate Office no later than April 2, 2010 and request an intermediate report of preliminary findings from the survey effort when available. If you have questions or need assistance, please contact Reka Montfort in the Senate Office, extension 5-5804.

Appendix C – Faculty Survey Results

A sub-committee of the Task Force developed a survey instrument for all 1455 tenure and tenure-track faculty on the campus. (Figures from IRPA: Assistant Professors, 340; Associate Professors, 452; Full Professors, 663). The survey was pretested several times among Task Force faculty members, and then a final version was made available electronically from February 15-28, 2010 via SurveyMonkey. The survey included 12 questions concerning faculty knowledge about, attitudes toward, and satisfaction with merit pay allocation. Faculty were asked to complete the survey in three email messages sent February 15, 19, and 25. This document summarizes the anonymous responses received from this faculty survey. There were approximately 600 respondents, giving an overall response rate of 40%. It should be noted that the respondents do not necessarily represent an unbiased sample, since they were self-selected.

The responses were divided by faculty rank and by school. The response rates by rank (number at that rank who responded divided by total number at UMD at that rank) were as follows: 37.9% Assistant Professors, 35.4% Associate Professors, and 41.0% Full Professors (Figure C1). The response rate was substantially uniform across ranks. Survey responses were obtained from faculty members in 13 different academic units (Colleges and Schools, including: AGNR, ARCH, ARHU, BMGT, BSOS, CLFS, CLIS, CMPS, EDUC, ENGR, JOUR, PUAF, and SPH), as well as responses from unit heads and "other". More than 30% of the faculty members responded to the survey from 10 of the 13 schools (Figure C2). In 7 of the units, more than 40% responded.

What follows are results that detail faculty responses to specific questions. Not all respondents answered every question, so percentages are based on the number of responses to each question. Data presented by faculty rank were normalized by the number of faculty in the rank who answered the question; the school/college data were likewise normalized. Because less than 10 responses each were received for ARCH, CLIS, JOUR, PUAF, and Unit Head, these were combined with those checking "Other" into an overall Other category in the charts below.

Question 3: Do you know the policies and procedures used in your department/academic unit to allocate merit pay?

Approximately 62% of all respondents answering this question said that they knew the policies and procedures used to allocate merit pay in their academic units, 29% knew them partly, and 9% did not know the procedures. This percentage varied considerably with rank: 74% of Full Professors responded "Yes", compared to 63% of Associate Professors and 39% of Assistant Professors (Figure C3, upper panel)). Clearly, more highly ranked professors were more conversant with their unit merit polices than were lower ranks. In fact, about 17% of Assistant Professors (compared to 5% of Full Professors) reported that they did not know the policies or procedures used to allocate merit pay in their units. Nevertheless, even among Full Professors, the most knowledgeable group, a full 26% either did not know the policies or only know them partly.

Looking at the data by school, those with higher than the 62% overall average answering Yes to familiarity with merit pay allocation procedures were ARHU, BSOS, and EDUC, all at or above ~70%. SPH, on the other hand, had more than the 9% average number of No answers at 19%, with ENGR following at 14% (Figure C3, lower panel).

Question 4: Are the performance expectations and criteria used for allocating merit pay by your department/ academic unit clear to you?

Only 50% of the faculty answered Yes regarding knowledge of expectations and criteria for allocating merit pay. The expectations were known partly by 34%, but 15% did not know them at all (Figure C4, upper panel). Knowledge in this area was again higher for Full Professors (65%) compared to Associate Professors (49%) and Assistant Professors (30%). Fully 25% of Assistant Professors said that they did not know the performance criteria or expectations in their units.

Examining the responses by school, BSOS and EDUC (at 65 and 60% respectively) again had higher than the average fraction (50%) of Yes answers, whereas BMGT, CLFS, and ENGR had lower fractions (39, 40, and 39%, respectively) (Figure C6, lower panel).

There was a correlation, as would be expected, between the answers to this question and those to the previous one (Figure C5). Respondents who said that they knew the policies/procedures to allocate merit pay were more likely than the other respondents to say that they knew the evaluation criteria, those who knew the procedures partly were also more likely to know the criteria partly, and those who didn't know the procedures were more likely not to know the criteria.

Question 5: If your department/academic unit has a written policy on merit pay (typically found in the Plan or Organization), do you think that it actually follows the policy?

Less than half (only 40%) of all faculty respondents answering this question indicated that their units actually followed their written policy (Figure C6, upper panel)). On average, 22% thought the policy was followed partly, 7% said that it was *not* followed, and 23% did not know, while 8% indicated that this question was either not applicable or that there was no written policy. These answers also depended on rank, with higher ranked faculty saying that the policy was followed more often. Among Assistant Professors, 46% simply did not know (Figure c7, upper panel).

Breaking down the responses by college, higher than average compliance with the written policy was indicated by AGNR, ARHU, and BSOS (55, 49, and 51%, respectively). A lower than average compliance was indicated by CLFS (15% answered No, double the 7% on average). CMPS had the largest fraction of Don't Know (40%) (Figure C6, lower panel).

Question 6: Does your unit/department have a faculty committee of some kind (which may be a standing committee such as a faculty advisory committee or a specific "salary committee") for considering the distribution of merit pay?

Almost 90% of the respondents answered that their unit had such a committee (Figure C7). Answers were fairly uniform across rank. However, Assistant Professors responded Don't Know at much higher rates (13% vs. 1-2%). About 7% of all the respondents to this question did not think that there was such a committee.

Examining this question by school reveals those that appear to be missing such committees, which are required by University policy. The answers from EDUC were 22% No, and from SPH they were a remarkable 55% No.

Question 7: Is there a mechanism for appeal of merit pay decisions within your unit?

Only 17% of respondents replied that their unit had a satisfactory appeal mechanism (Figure C8, upper panel) A further 6% said there was a mechanism, but that it was unsatisfactory, and 26% said there was no appeal procedure. That left almost half who did not know whether an appeals mechanism existed. Assistant Professor were least likely to say that there was a satisfactory appeal mechanism (7%) and the most likely to say they didn't know (73%).

AGNR, ARHU, and SPH all had rates of "Yes, and it is satisfactory" above 23%. On the other hand, schools with the highest percentage of "no appeal" responses were CLFS (35%) and ENGR (36%). Those with the highest "don't know" rates were BMGT (58%), BSOS (61%), CMPS (63%), and EDUC (56%) (Figure C8, lower panel).

Question 8: How does your unit reward performance in years when there is no merit money available?

About a third of respondents (35%) replied that performance is averaged over multiple years, but fully 50% replied that performance for years without merit money is not rewarded at all (Figure C9, upper panel). A very small fraction (2%) replied that funds were obtained from other sources to provide an award, and the same number said that nonmonetary rewards were given. The remaining 26% responded with "other". Assistant professors were less aware than other faculty about any performance averaging (19% said performance was averaged compared to 43% of Full Professors).

Schools that were more likely to average performance over multiple years included ARHU (50%) and BSOS (42%); those that were notably more likely than average to give no reward were AGNR (71%), CLFS (63%), and ENGR (63%). Schools whose respondents replied that monies were used from other sources at above average rates were BMGT (12%) and SPH (14%). ENGR gives the most nonmonetary rewards (6%), based on answers to the survey (Figure C9, lower panel).

Question 9: How satisfied are you overall with the process actually used in your unit to allocate merit pay?

Plots of overall satisfaction with the merit pay process generally had bell-shaped peaks. However, the position of the peak increased with rank (Figure C10, upper left). When the answers were converted to a numerical score, with 5 representing the highest satisfaction and 1 the lowest, the scores were 2.9, 3.0, and 3.4 for Assistant, Associate, and Full Professors, respectively (Figure 10, upper right). A slightly greater percentage of Associate Professors were "very dissatisfied" than were either Assistant or Full Professors.

On average, 13% of respondents were "very satisfied". The fraction of such answers rose to 29% in SPH and 18% in BSOS, and it dropped to 0% in CLFS and 8% in BMGT. On average, 29% of respondents were "satisfied". In AGNR, this rate was 41% and in CMPS, 38%. Once again, in CLFS the rate was below average at 22%. Interestingly, the rate of "satisfied" in SPH was also below average, those responses seeming to have been shifted to "very satisfied". The overall average "unsatisfied" rate was 20%, and the average "very unsatisfied" rate was 10%. Despite having the largest number of "very satisfied" respondents, SPH also had the highest number of "very unsatisfied" respondents (19%) (Figure C10, lower panel).

There was a correlation between overall satisfaction and knowledge of the unit's policies and procedures (Figure C11). Those who know the policies are on average more satisfied than those who know them partly, and they are in turn more satisfied than those who do not know them.

There was also a correlation with the way that the unit rewards performance in years when there is no merit money available. Overall satisfaction with the merit pay process was considerably higher when performance was averaged over multiple years (score of 3.66) than when performance that year was not rewarded (score = 2.96). Even greater satisfaction was reported for those departments that managed to provide a reward of some kind in years without merit money, whether it was funds from other sources (score = 4.43) or nonmonetary rewards (score = 4.08), although the number of respondents in these categories was small (Figure C12).

Question 10: If you have issues or concerns with merit pay allocation in your unit, please describe them.

Multiple responses were permitted for this question, and respondents who answered it checked off an average of 3.3 responses each. A quarter (26%) of respondents to this question indicated that they had "no concerns" (Figure C13, upper panel). The fraction of Full Professor respondents giving the "no concerns" answer (29%) was nearly double that of the other ranks (15% and 17% for Assistant and Associate Professors).

Much of the concern expressed by the respondents was about the integrity of the evaluation process. For example, 28% indicated that there were "unclear standards for evaluation". Other prevalent concerns (at 22-24%) among faculty included "lack of transparency", "arbitrariness", and "inconsistency".

The next major area of concern evidenced by faculty responses was with the procedures used for allocation of merit pay. Specifically, 18% listed no notification of merit ranking, and another 18% the lack of an appeals process.

Finally, there were issues with the allocation of funds. Not rewarding research, teaching, service, etc. separately was often given as an issue (17%), as was unfair distribution of funds (15%).

For comparison across schools, the answers were grouped into the five major categories (resulting in percentages greater than 100%). Also, the total fraction of issues was calculated (the total of the four issue categories). The average percentage across the university of issues being identified was 226%. Schools reporting a considerably higher percentage were BMGT (352%) and CLFS (374%). A school with a much smaller percentage was BSOS (99%) (Figure C13, lower panel).

The magnitudes and relative proportions of the various problem categories varied by school. For example, in BMGT evaluation issues were a relatively larger problem than issues with procedures, fund allocation, or the merit committee. However, in SPH problems with the merit committee loomed larger than for other schools. CLFS respondents checked fund allocation issues more often than faculty in other schools.

Those who knew their academic unit's policies and procedures regarding the allocation of merit pay were much more likely to have no concerns than those who knew those policies only partly or did not know them (Figure C14). The responses on issues were quite similar from those with incomplete knowledge of unit policies and from those with no knowledge, but the responses from those who knew the policies differed. For example, the latter were less to identify "no notification of merit ranking" or "unclear standards" as issues than the other two groups, but were relatively more likely to check that the procedures are unsatisfactory or that the funds are distributed unfairly.

Question 11: If your unit/academic unit has a faculty committee for merit pay and if you served on the committee, is the amount of work involved in completing its merit pay-related responsibilities basically reasonable?

On average, 45% of respondents to this question thought that the amount of work was "basically reasonable", and another 14% indicated that the merit committee "consumes a lot of time, but [the time spent] is worth it", totaling nearly 60% (Figure C15, upper panel). Approximately 10% of respondents thought that service on the merit committee either "consumes too much time" or "consumes far too much time and is unduly burdensome". On average 28% had never served on the committee (or there was no committee or the question was not applicable), primarily Assistant Professors, who gave this answer 64% of the time.

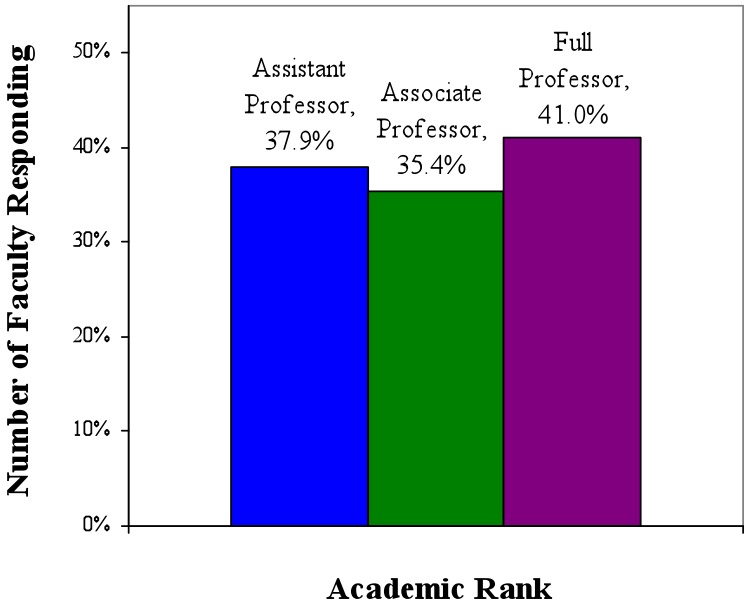
Schools with considerably higher than average satisfaction with time spent on the merit pay committee included ARHU (56% "reasonable"), CLFS (58%), and ENGR (53%). Faculty with the highest levels of dissatisfaction with time spent on the merit pay committee were from SPH (15% "unduly burdensome") (Figure C15, lower panel).

Question 12: Please provide any additional comments you wish about merit pay and/or the University's Policy on Merit Pay Distribution, particularly if the information may assist the Task Force in its deliberations on this topic.

Qualitative Analysis of Open-Ended Responses

Open-ended responses to question 12 on the survey were analyzed using thematic analysis, an inductive data reduction approach. In thematic analysis, themes emerge from the data and are used to categorize respondent comments into a smaller number of core themes reflecting issues and concerns that are common across responses. Analysis of the180 responses to question 12 revealed five major themes that collectively capture shared sentiments. It is important to note that these themes summarize perceptions and may or may not accurately reflect the reality of existing policies. Nevertheless, they provide detailed insight into the nature of faculty issues and concerns with merit pay allocation procedures identified from responses to question 10 (Figure C13). The main results of this analysis were presented in Table 2.

Figures C1-C15



FigureC1. (Question 2) Response rate percentage by rank.

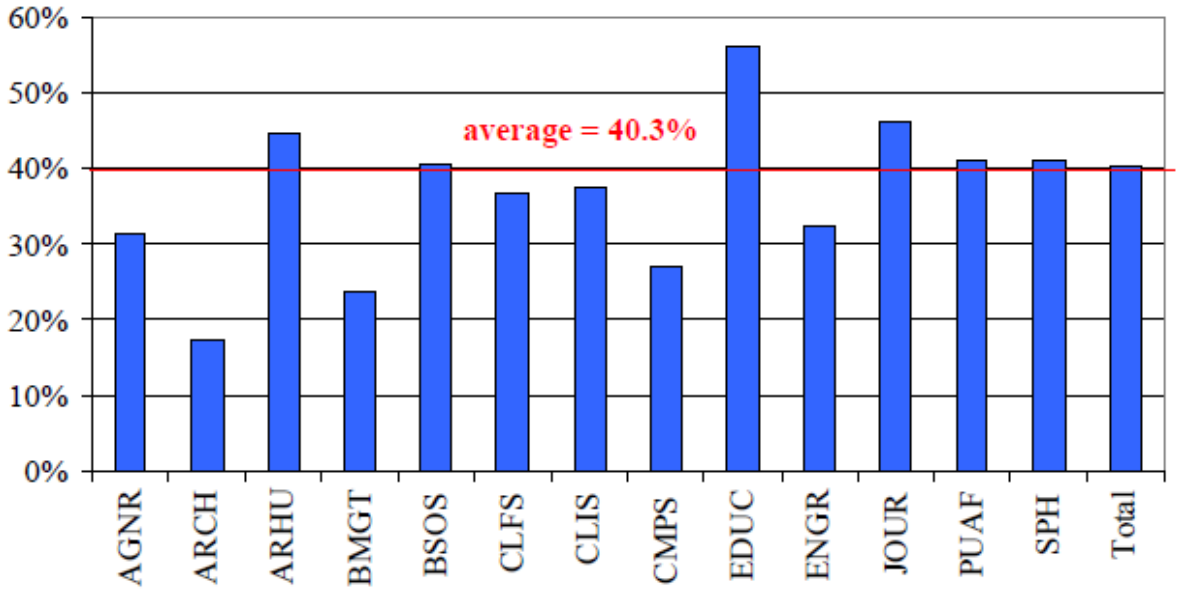


Figure C2. (Question 1) Response rate percentage by school.

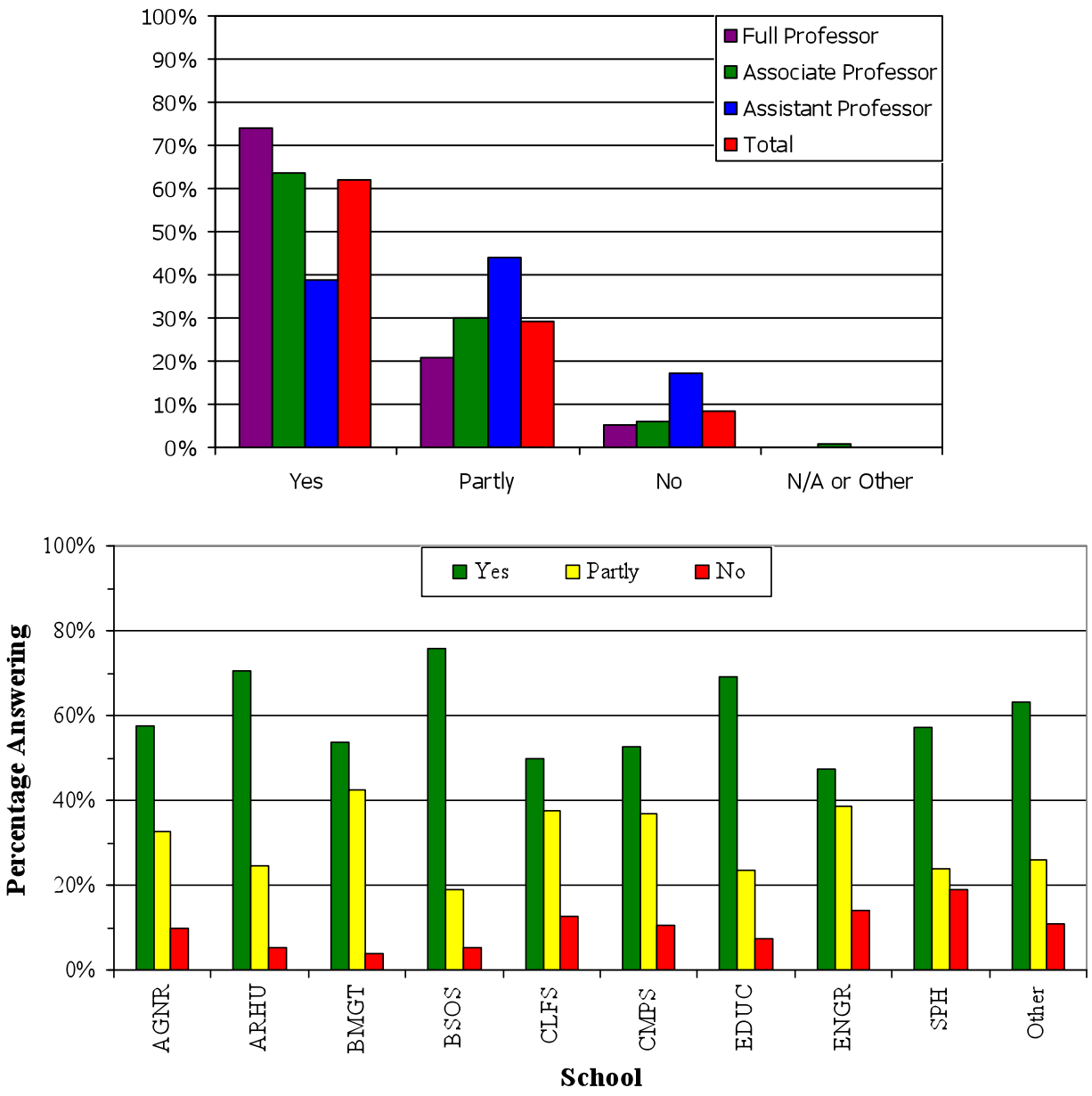


Figure C3. (Question 3) Do you know the policies and procedures used in your department/academic unit to allocate merit pay?

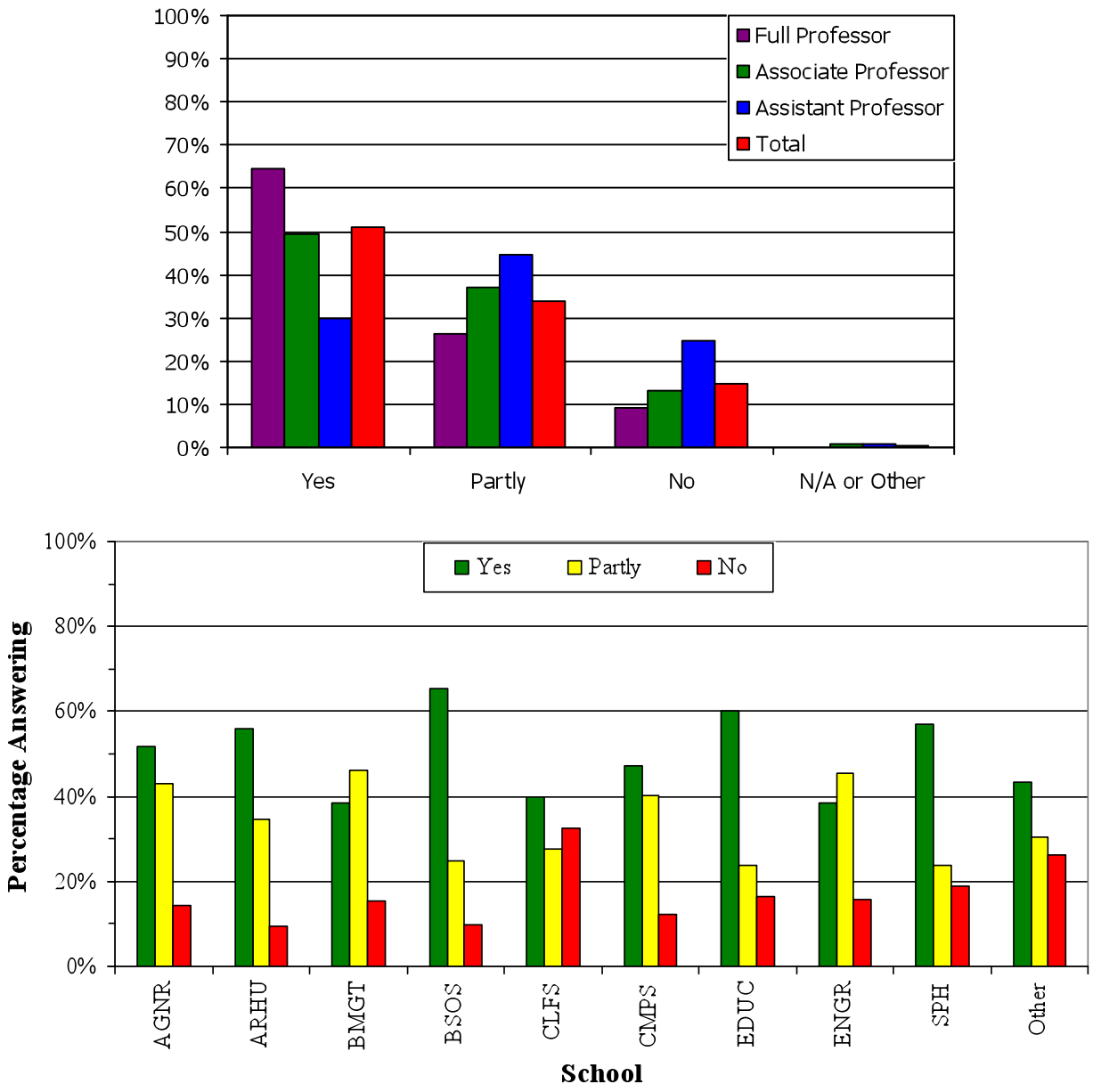


Figure C4. (Question 4) Are the performance expectations and criteria used for allocating merit pay by your department/academic unit clear to you?

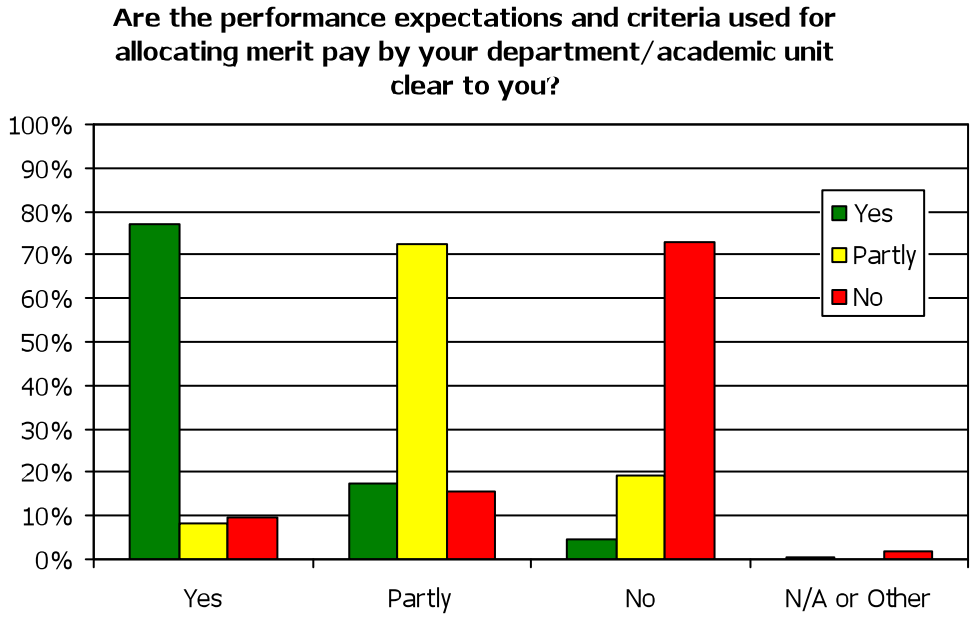
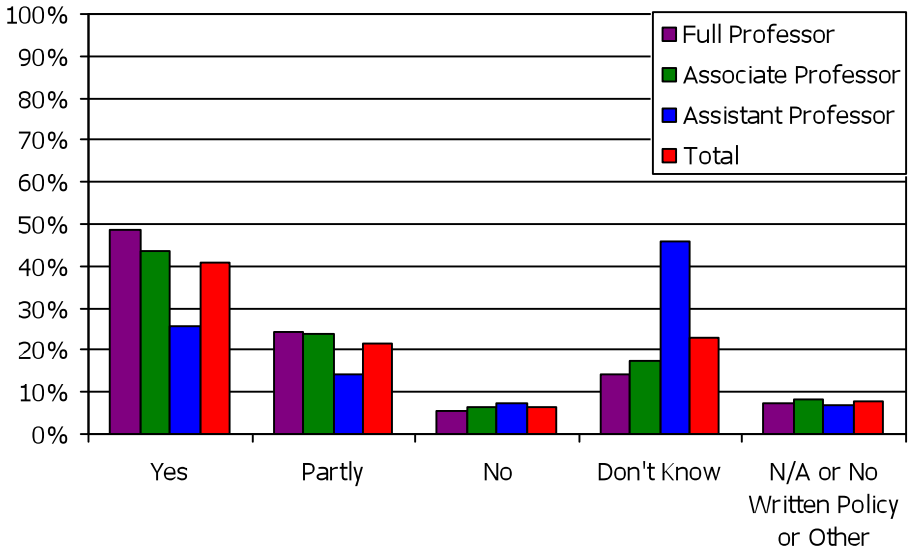


Figure C5. Correlation between knowledge of the unit's performance expectations (x-axis) and knowledge of the unit's procedures and policies (bar colors). Data were normalized to the number of responses to each answer on knowledge of procedures. Thus, the bar colors each total to 100%. In other words, the numbers answering "yes", "partly", "no", or "NA, other" to the question on expectations was divided by those who also answered "yes" to the question on policies to produce the green bars.



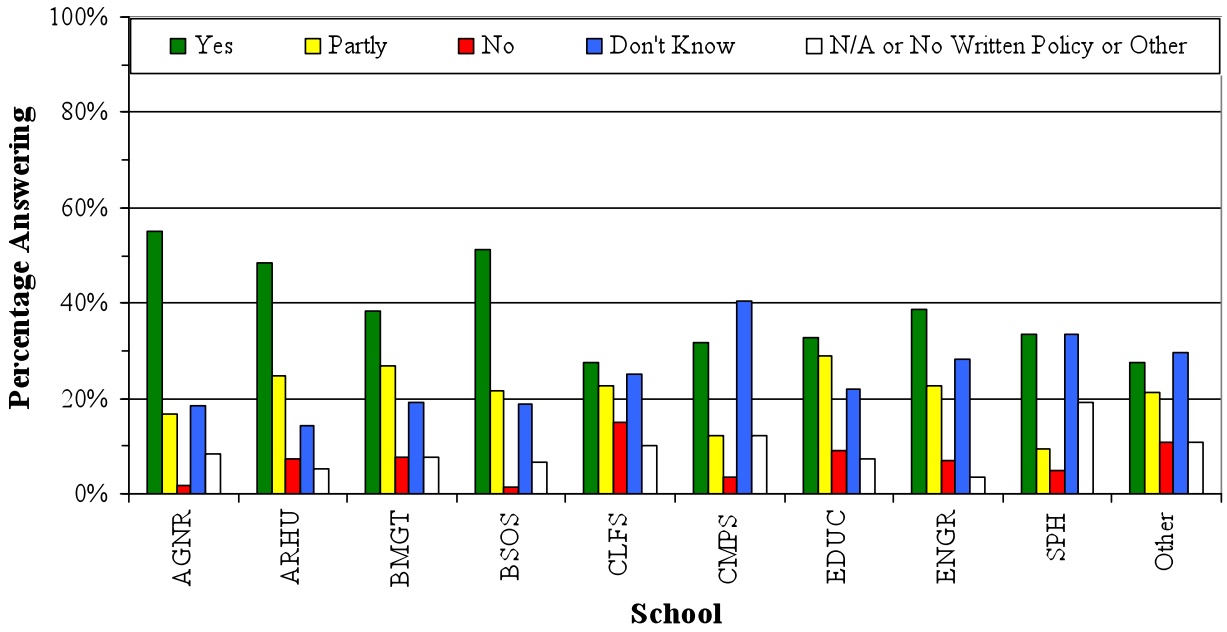
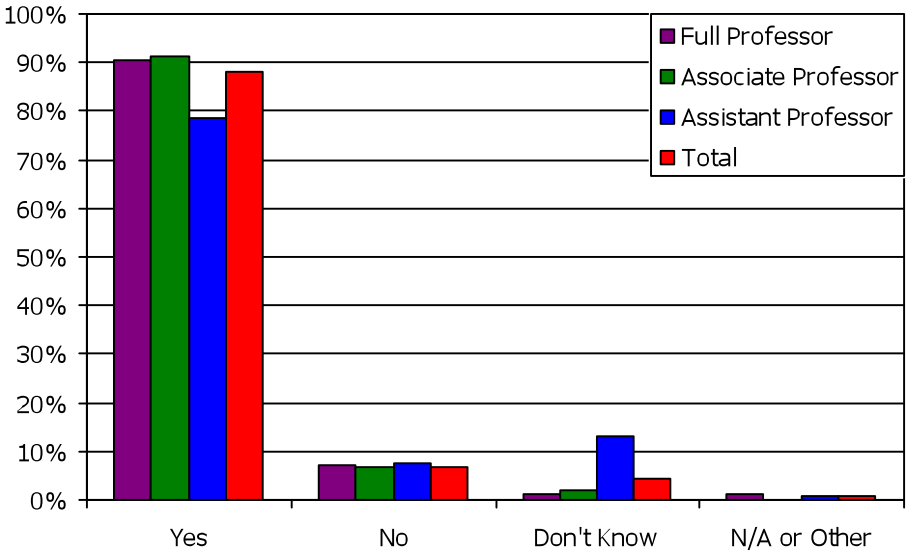


Figure C6. (Question 5) If your department/academic unit has a written policy on merit pay (typically found in the Plan or Organization), do you think that it actually follows the policy?



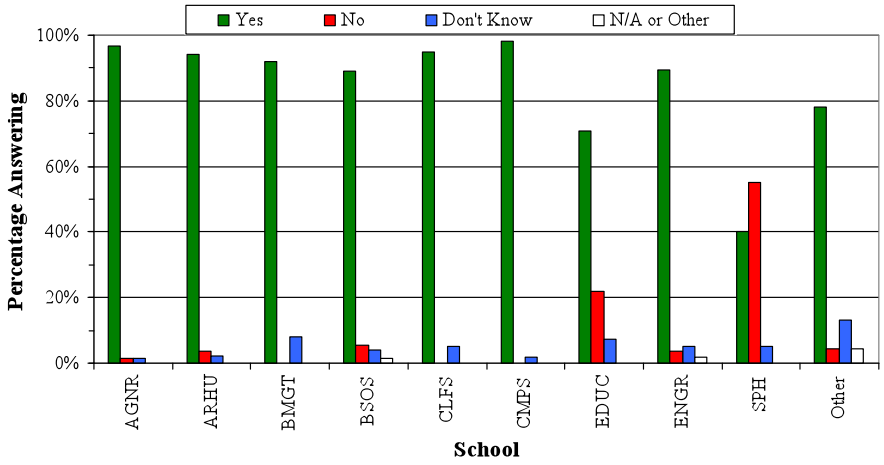


Figure C7. (Question 6) Does your unit/department have a faculty committee of some kind (which may be a standing committee such as a faculty advisory committee or a specific "salary committee") for considering the distribution of merit pay?

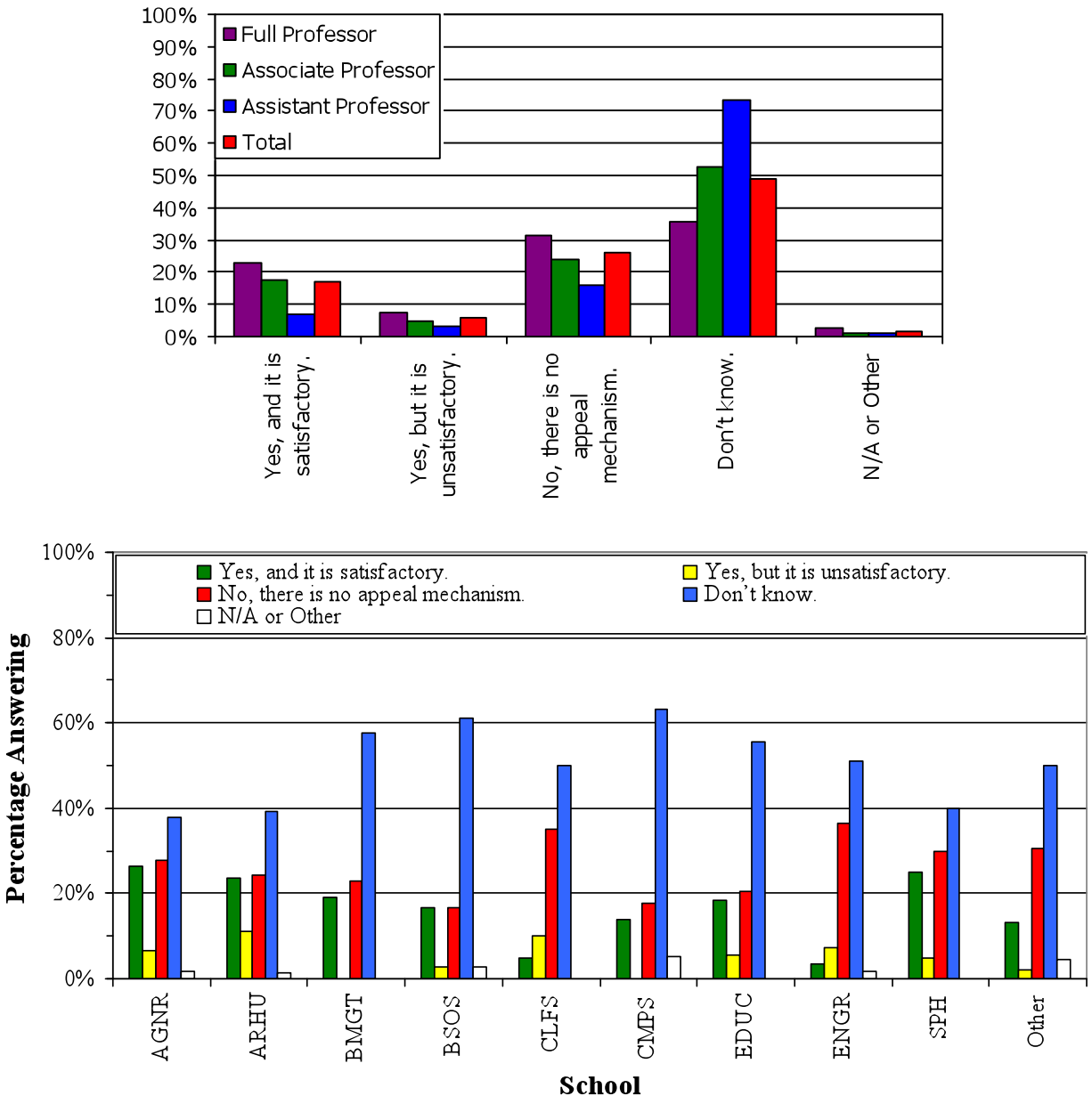


Figure C8. (Question 7) Is there a mechanism for appeal of merit pay decisions within your unit?

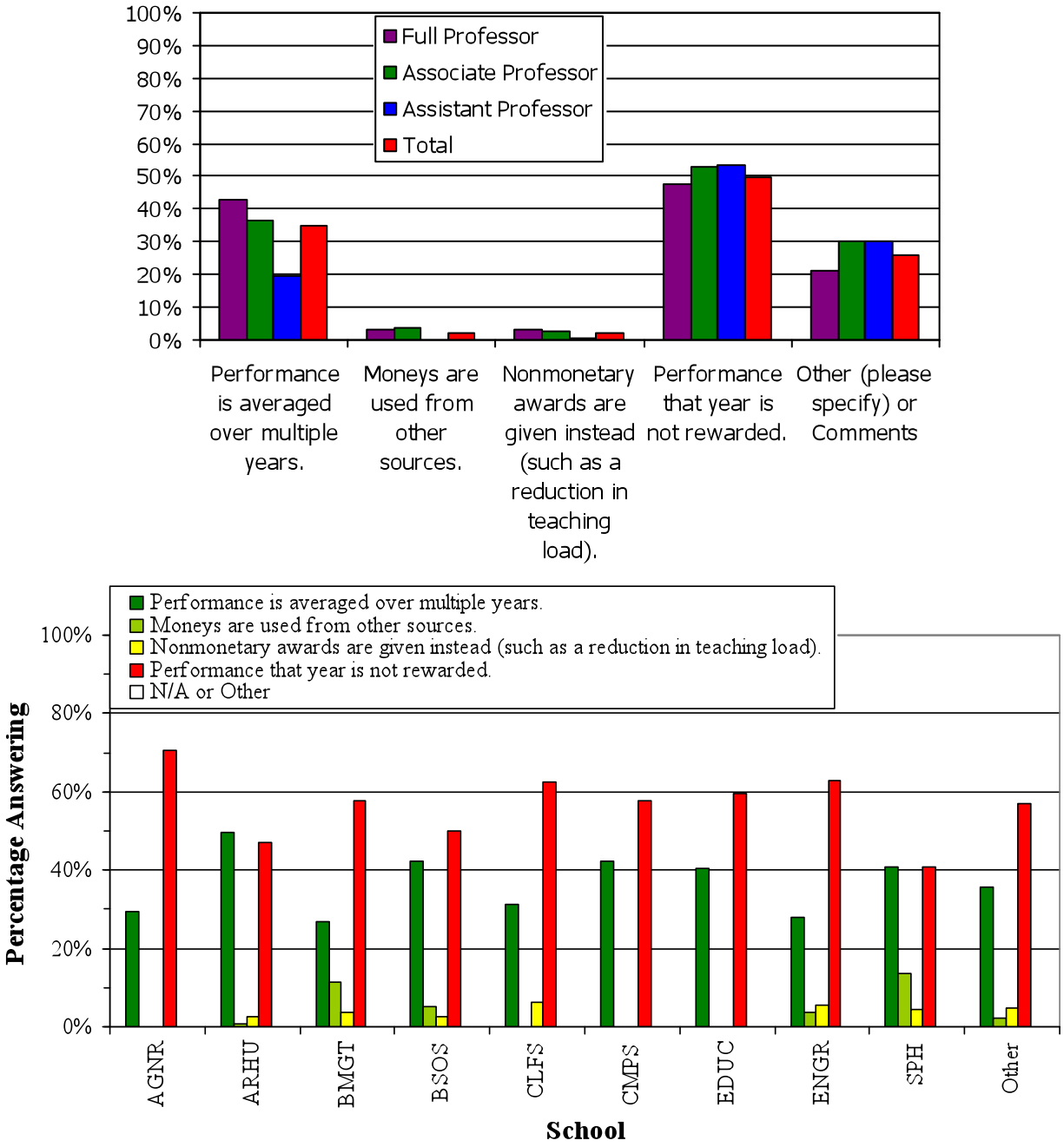


Figure C9. (Question 8) How does your unit reward performance in years when there is no merit money available?

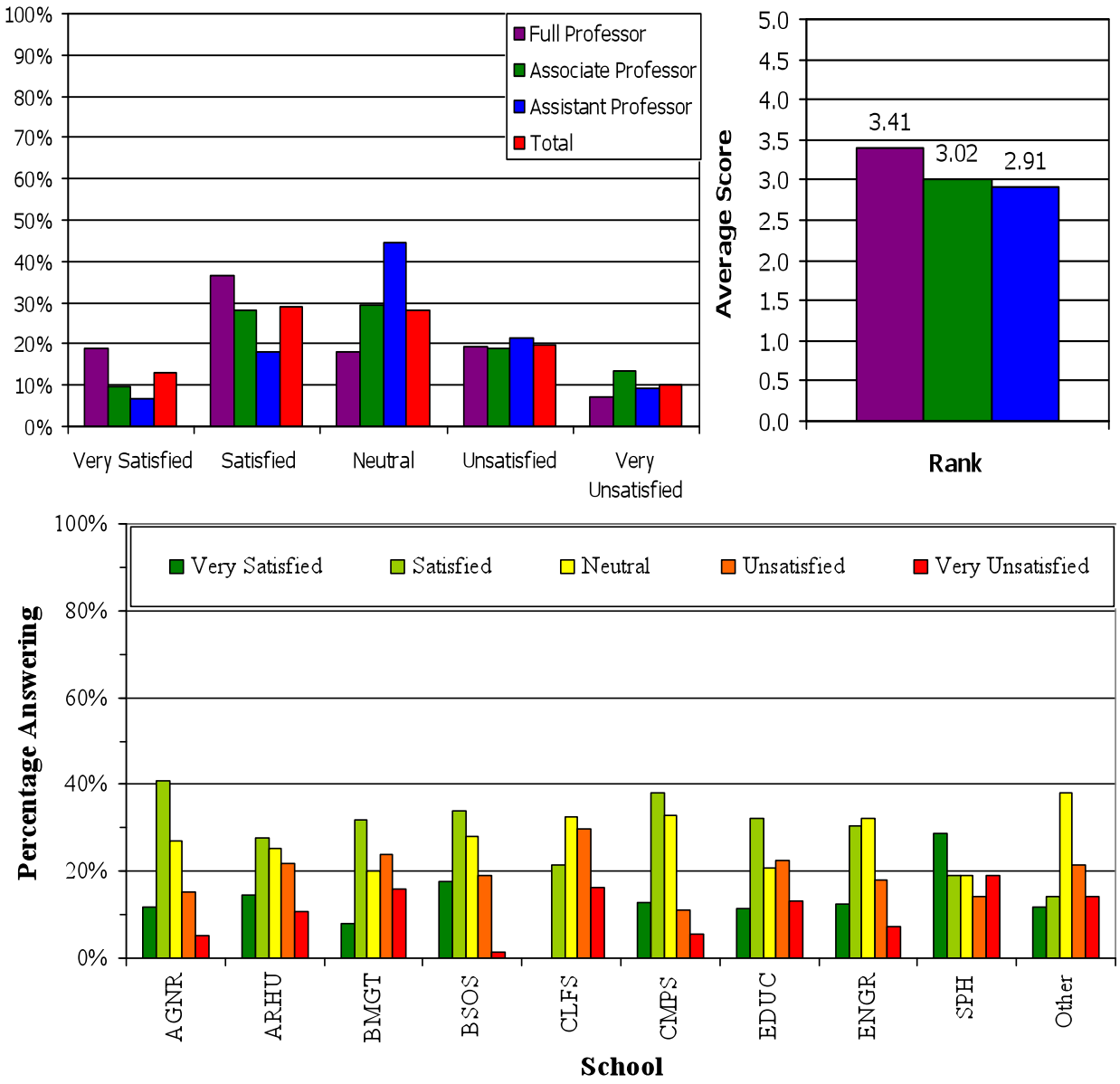


Figure C10. (Question 9) How satisfied are you overall with the process actually used in your unit to allocate merit pay?

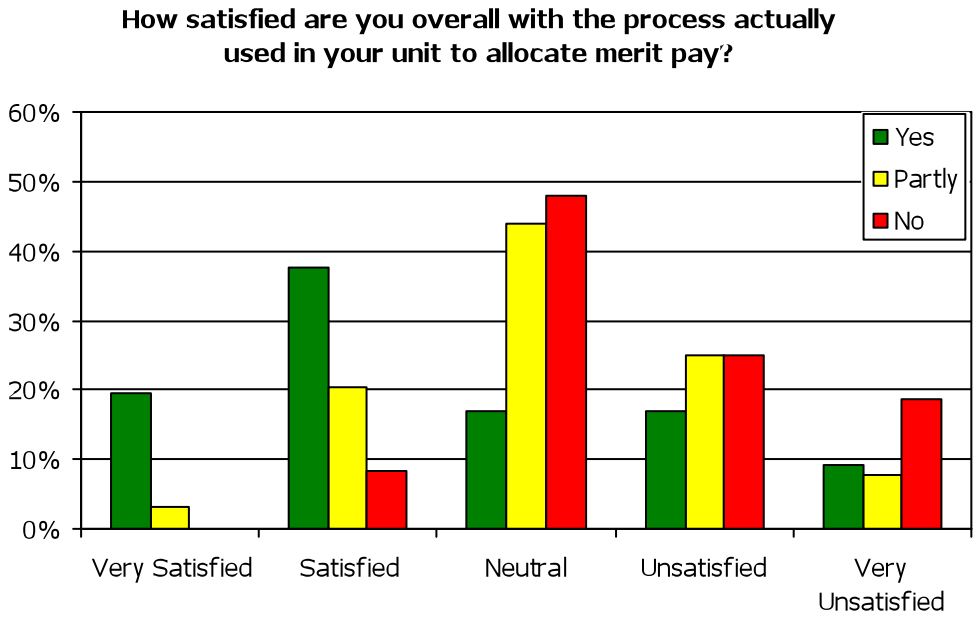


Figure C11. Correlation between overall satisfaction (x-axis) and knowledge of the unit's procedures and policies (bar colors). Data were normalized to the number of responses to each answer on knowledge of procedures. Thus, the bar colors each total to 100%.

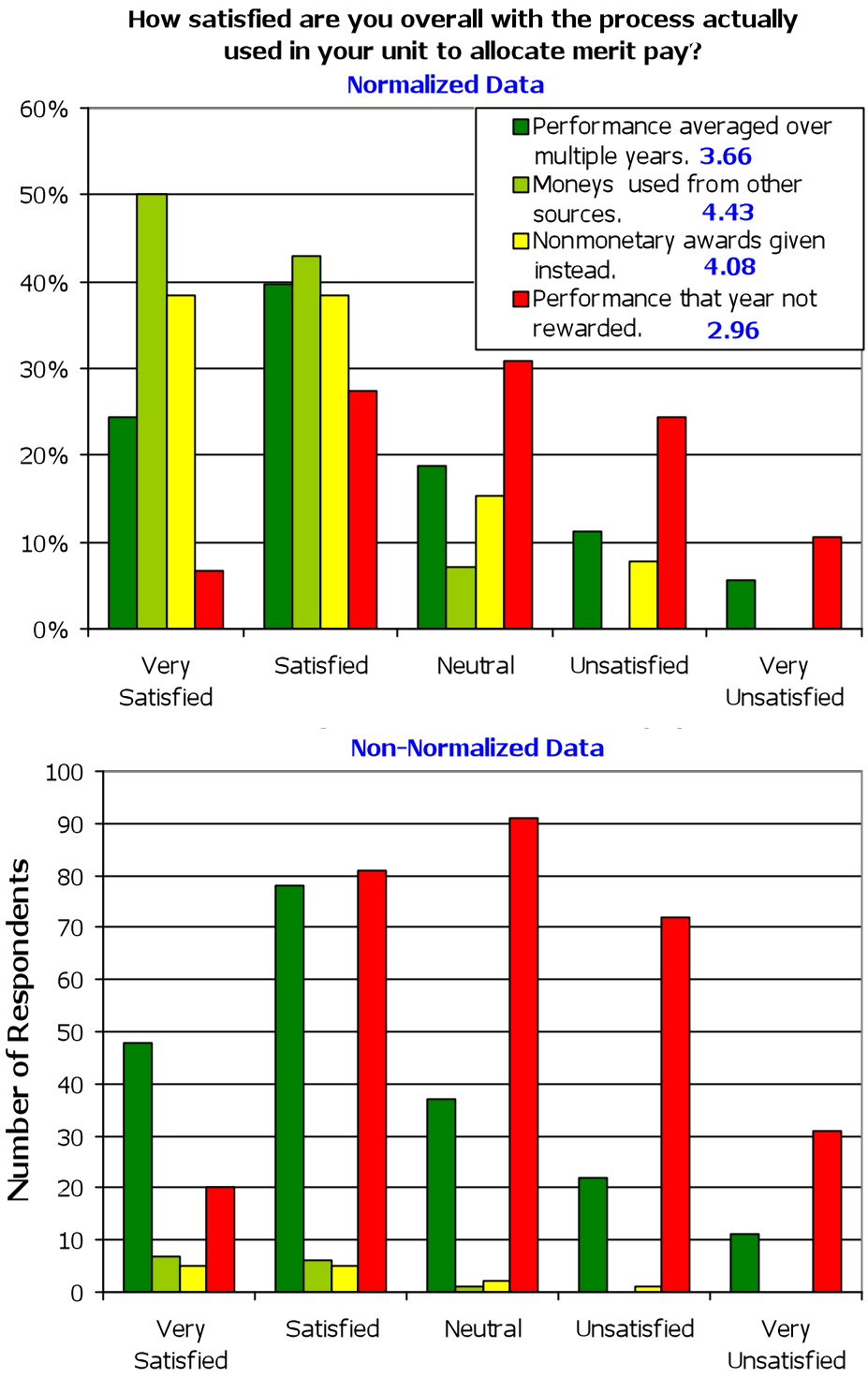


Figure C12. Correlation between overall satisfaction (x-axis) and policies in years with no merit money (bar colors). Respondent counts are shown in the upper plot, normalized data in the lower plot. The blue numbers in the legend are the average score for each policy.

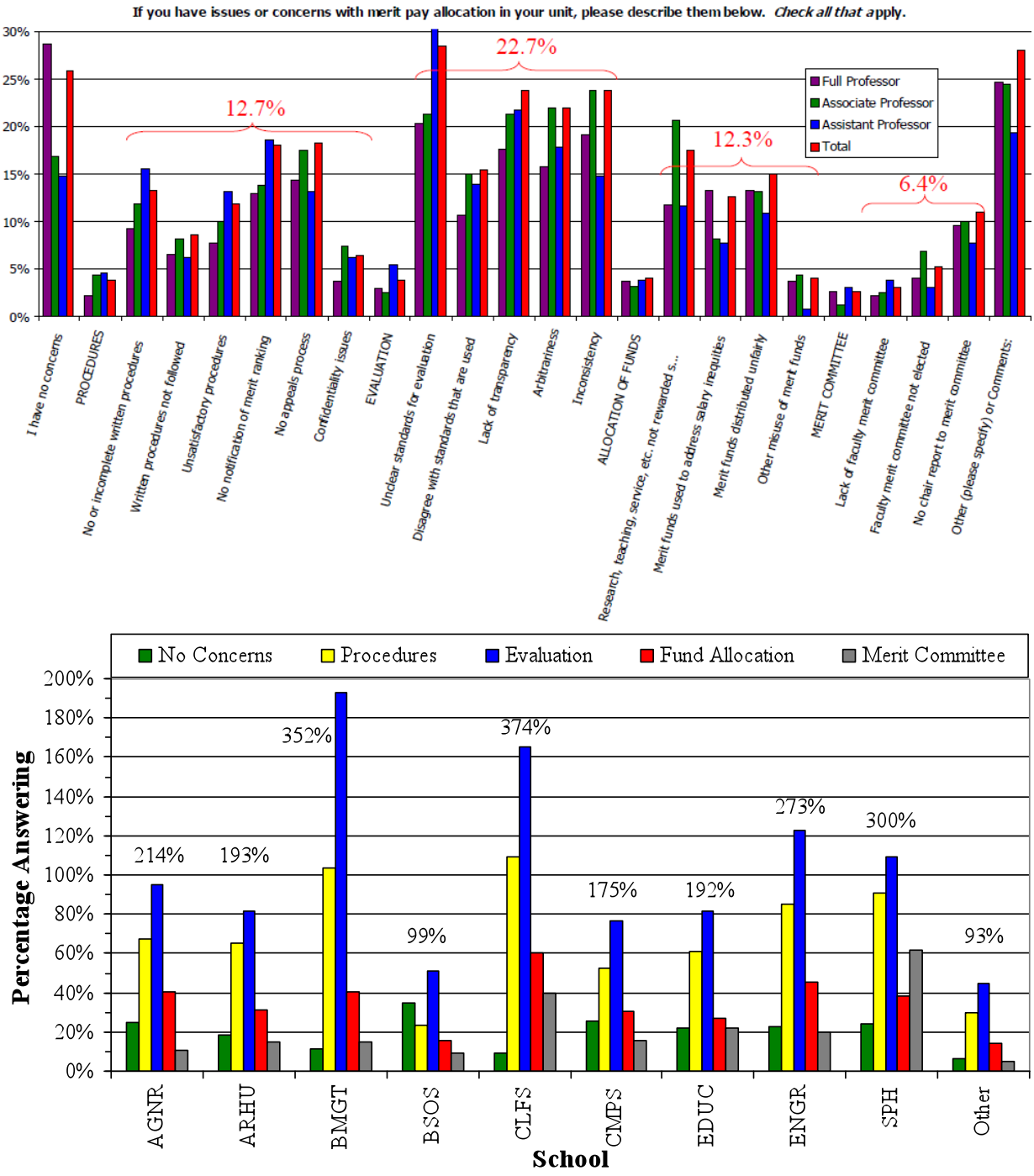


Figure C13. (Question 10). If you have issues or concerns with merit pay allocation in your unit, please describe them

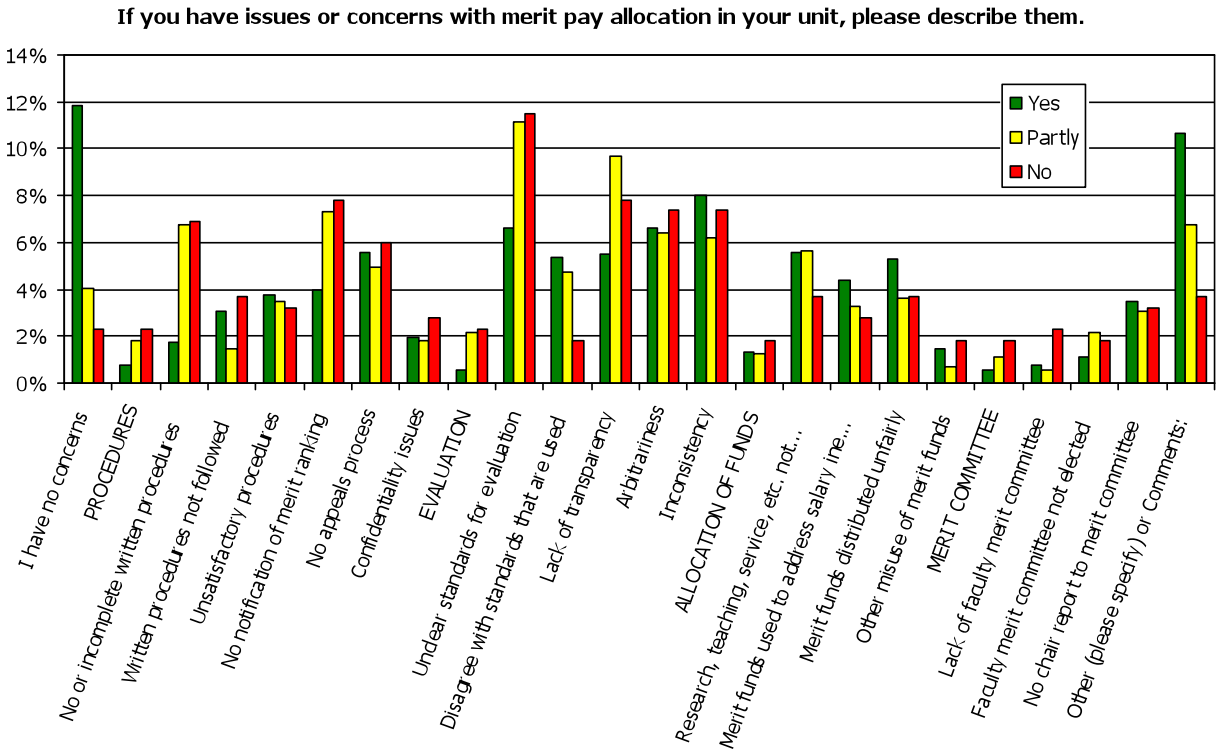


Figure C14. Correlation between issues identified (x-axis) and knowledge of the unit's procedures and policies (bar colors). Data were normalized to the number of responses to each answer on knowledge of procedures. Thus, the bar colors each total to 100%. To draw conclusions, therefore, the relative bar heights among green bars should be compared, to relative heights among yellow bars; green and yellow bar heights for a given answer should not be compared directly.

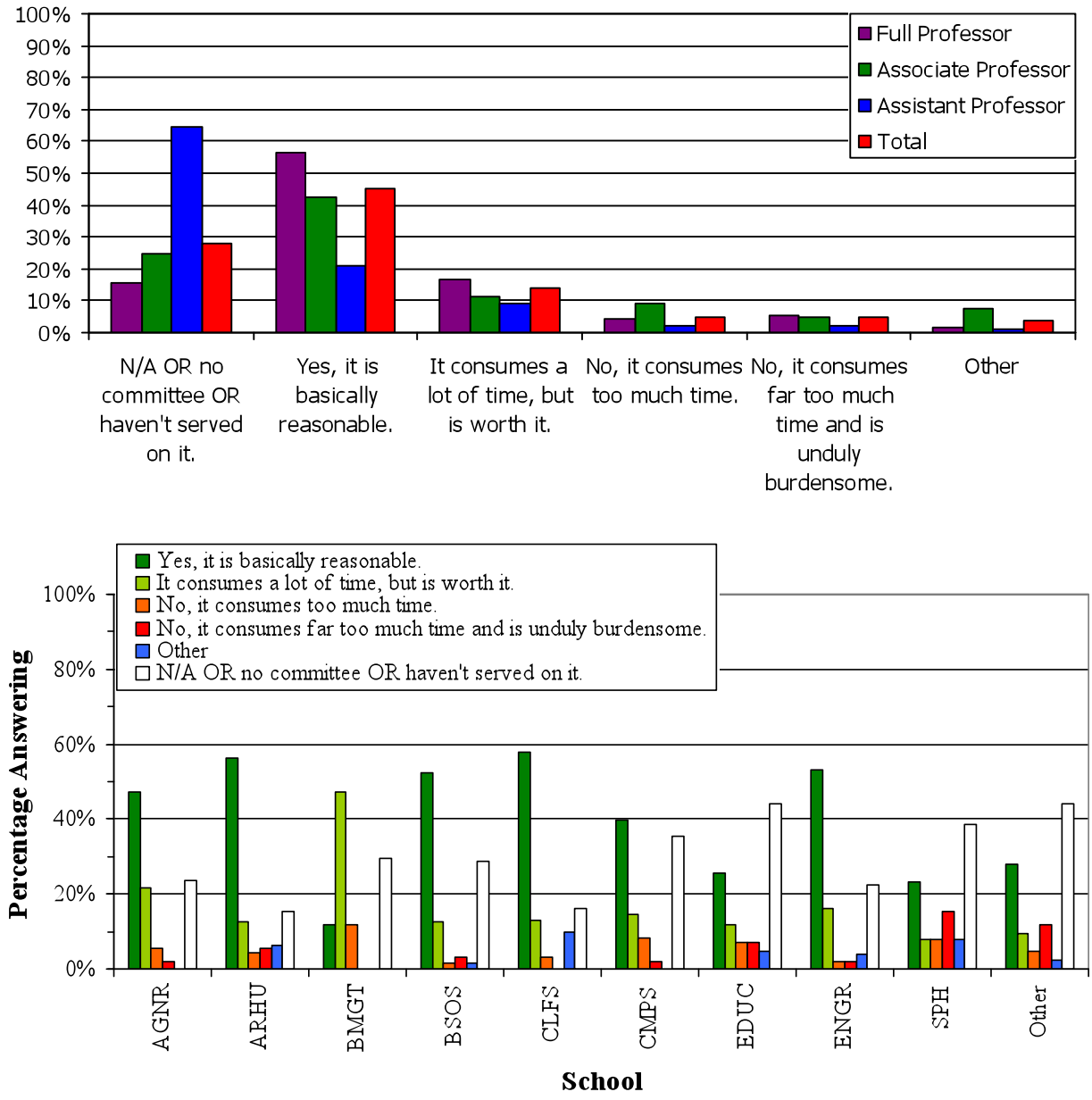


Figure C15. (Question 11) If your unit/academic unit has a faculty committee for merit pay and if you served on the committee, is the amount of work involved in completing its merit pay-related responsibilities basically reasonable?

Appendix D – Lee Preston Article

FACULTY MERIT PAY: PROBLEMS AND PROSPECTS

[Published in Faculty Voice, fall 2007]

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.

Lee E. Preston
Professor Emeritus and
Faculty Ombuds Officer
March 1, 2007