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Bargaining Market Equity Adjustments by Rank and Discipline

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Introduction

Generally, faculty contract negotiations include wages, hours, and other conditions of employment as well as mutually agreed non-mandatory subjects of bargaining. Negotiators typically address wages in terms of across-the-board (ATB) salary increases, promotion in rank, merit increases (both to base and one-time), and one-time signing bonuses. Less typically, faculty salary negotiations include various forms of equity adjustments and salary increases linked to the underlying market and social forces and to salary compression that may, or may not, be related to these forces. Counteroffers are an example of such an adjustment, but they are implemented on a more or less ad hoc basis.

Disparate salaries among various academic disciplines and ranks are typically addressed when faculty are hired (M. Winters[3], personal correspondence, June 6, 2013) and when institutions compete for faculty talent and expertise with other educational institutions and with employers in other sectors of the economy. Promotions in rank generally are accompanied by a salary increase in addition to other general across-the-board increases or cost of living adjustments, if any. If such increases are not a percentage of base salary, and many are not, the result over time is salary disparities at higher ranks, depending on discipline, with faculty commanding higher salaries upon hire later being subjected to greater salary compression. Negotiated merit-based salary increases can address salary compression for some individuals, but these, on average, are not a comprehensive solution. Left unaddressed, salary compression leads to erosion of faculty retention and morale affecting both the employing institution and the representing union (Flaherty, 2013).

Most contracts are negotiated such that the same (or similar) percentage ATB salary increase is received by all faculty. It is risky for a faculty union to negotiate across the board

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salary increases that differ by academic discipline. On one hand, all faculty at a given college or university perform equivalent functions with equivalent workloads in practical terms. Thus all faculty should receive equivalent pay with appropriate recognition of merit and seniority. On the other hand, it is unrealistic to claim that the academy is completely separate from "market forces" in general and pertaining to faculty salaries in particular. For example, any university that has a business, engineering, or medical school knows that faculty in those disciplines command higher salaries than the average faculty member in the arts (Tenured/Tenure-Track Faculty Salaries, 2012). Like it or not, academic institutions must compete with the private sector; not only when faculty are first hired but throughout their careers.

Consequently, it is in the reasonable and responsible interest of both university administration and union negotiators to seek ways to bridge the gulf between a union's historic role advocating equality and solid wages for all members as a buffer from extreme market forces, and an academy's competing for and retaining faculty talent. Many groups have surely wrestled with these competing interests. An American Federation of Teachers (AFT) contract database search of public 4-year higher education institutions, as well as a query of an established association of post-secondary personnel administrators indicates that most, but certainly not all, collective bargaining agreements (CBA) are silent on the issue of market equity adjustments by rank and discipline.

Review of Selected Contracts

The reviewed CBAs addressed market in three different ways. The first is focused on the individual and is essentially discretionary on the part of university administration without specifying a pool of money. The second provides a separate schedule for certain disciplines presumably based on market forces. A third more comprehensive approach considers market equity by discipline and frequently includes consideration of rank within discipline.

The first and simplest method that has been applied in various CBAs, such as the current faculty agreement at the University of Vermont and earlier contracts at the State University of New York, the University of New Hampshire, the University of Massachusetts-Lowell, and the University of Scranton to name a few, utilizes various ways to nominate or otherwise identify faculty that are underpaid relative to market (N. DiGiovanni[4], personal correspondence, June 4, 2013; AFT Online Contract Database, 2013). The agreements then provide the possibility for an equity adjustment beyond the negotiated salary increase for all faculty.

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The second approach is to enshrine different salary schedules by discipline. The Emerson College adjunct faculty contract codifies different pay rates by discipline per credit hour. This approach is not as applicable for tenured/tenure-track faculty which is addressed in the Rutgers University contract (AFT OCD, 2013). A small number of higher-paid disciplines at Rutgers (i.e. engineering, computer science, and business) have a "special salary schedule" applicable to each discipline, all different from each other and the single salary schedule applicable for all other faculty.

The third approach involves objective measures and includes different disciplines and ranks. In some CBAs, general language is provided but details are lacking. For example the 2007-2009 California State University CBA refers to equity "Increases intended to address pay inversions for those faculty evaluated according to the RTP criteria…" where $7 million is devoted in each of two years. This agreement refers to a committee to be formed after ratification to develop details of the program and implementation. This agreement also includes a provision where the President can "grant a salary increase to a probationary or tenured faculty to address market considerations". Similarly at the University of Alaska, the 2004-2006 CBA provides for a committee to conduct a "market salary analysis" including "the factors of rank, time in rank and discipline" utilizing the Oklahoma State Faculty Survey. The University of Alaska devoted 2% in each year of the contract to this endeavor where "Individual market adjustments will be made according to each eligible unit members' equiproportional share of the pool amount of the individual unit member's negative residual…." The 2005-2006 agreement at Florida State University specifies that 0.4% of their base would be distributed for professors and associate professors regardless of discipline. This CBA also alludes to a study group to be formed to suggest a better approach, however our search did not turn up anything along these lines in subsequent contracts (AFT OCD, 2013).

Three examples of institutions with more detail in their CBAs for market equity adjustments by discipline include: the 2002-2006 Ferris State University CBA, the 2006-2009 Cleveland State University CBA, and the 2005-2009 CBA at the University of Akron. Each of these agreements specifies the amount of money allocated for equity each contract year and identify benchmark institutions for comparison or an explanation of who decides what the benchmarks will be. In all three contracts, only associate and full professors are eligible. The 2007-2010 Ferris State University CBA includes assistant professors and instructors omitted in their previous contract, and the 2003-2005 Southern Illinois University-Carbondale CBA also outlines fully a "Calculation of Equity Increases" which appears to include all ranks and disciplines with variable benchmarks (AFT OCD, 2013).

The above discussion illustrates the difficulty previous groups seem to have experienced in negotiating a fair, objective, and comprehensive agreement associated with market equity adjustments by rank and discipline. This is not easy. These issues have confronted Eastern Illinois University (EIU) and the University Professionals of Illinois (UPI) since they negotiated their first CBA in 1977. Despite bargaining various mechanisms to provide salary increases for outstanding performance, salary compression persisted in higher ranks and within ranks by discipline. Individual faculty union members, of course, have widely varying opinions on the subject of differential salary increases, but in general they are viewed with skepticism. During negotiations that led to the 2006-2010 EIU-UPI Unit A Agreement,[5] representatives of the university administration and the faculty union recognized and agreed that EIU faculty salaries, in general, were below the average of a mutually agreed upon peer group of 15 comprehensive, Midwestern, master's granting peer institutions.

Equity Adjustment Agreement Details

Bargainers identified three distinct compensation issues as contributing, at least in part, to the faculty compensation profile: salary compression in higher ranks, lack of differentiation of compensation by discipline, and overall low compensation. The first was addressed by modification of existing contract language and is not a novel approach. Previously, all promotional increases were a single negotiated flat dollar amount. Thus promotion, say from assistant to associate and associate to full professor, provided a decreased percent increase resulting in salary compression. This was addressed by negotiating increases for promotion as a percent of the base salary with a minimum and a maximum,. We now address the next two issues (differential compensation by discipline and overall low compensation) together.

Discipline-specific salary data are compiled annually by the College and University Professional Association (CUPA). The EIU administration purchased these data for each of our peer institutions. Bargainers compiled data to compare overall faculty salary by institution (this data was also available from other sources), by rank, and by discipline within rank at each peer institution. EIU rankings within these compiled data provided a persuasive argument for both increasing faculty salaries overall and for addressing salary relative to market (as defined by peer institutions) within identified disciplines. It is important to note that without significant ATB increases it would have been very difficult for the bargaining unit to agree to discipline-specific market equity increases. This is probably why not many, if any, CBAs have included market equity adjustments like that described here after the 2008 financial crisis. The two must be coupled, with a large proportion of the overall increase going to all bargaining unit members for this to be palatable to most union negotiators.

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[5] University Professionals of Illinois at Eastern Illinois University represents tenured/tenure-track faculty (Unit A) and annually contracted faculty and academic support professionals (Unit B). Bargaining for these agreements has traditionally occurred simultaneously.

The CUPA data (AY 2005-2006) used in the bargaining process are provided in Table 1 and also in Appendix D in the 2006-2010 EIU-UPI Unit A Agreement. Values in Table 1 for assistant, associate, and full professor ranks are the mean (arithmetic average) of the average faculty salaries for each of the peer institutions.

Table 1

Discipline specific salary data obtained from CUPA used for comparison of faculty salaries

				UPI COMPARISON GROUP 2005-06		
COLLEGE	DEPT	CODE	TITLE	PROF	ASSOC	ASST
CAH	AFR	05.02	Ethnic, Cultural Minority, and Gender Studies	#N/A	54,043	48,033
	ART	50.07	Fine and Studio Art	65,988	52,662	45,235
	CMN	09.01	Communication and Media Studies	67,214	55,859	46,195
	ENG	23.01	English Language and Literature, General	68,417	53,364	44,866
	FLG	16.05	Germanic Languages, Literatures, and Linguistics	#N/A	#N/A	#N/A
	FLR	16.09	Romance Languages, Literatures, and Linguistics	#N/A	#N/A	#N/A
	FL		Weighted average of 16.05 (25%) and 16.09 (75%)	65,417	55,157	48,126
	HIS	54.01	History	72,869	54,129	44,927
	JOU	09.04	Journalism	69,089	57,096	46,654
	MUS	50.09	Music	67,325	53,803	44,857
	PHI	38.01	Philosophy	71,674	53,369	44,297
	THA	50.05	Drama/Theatre Arts and Stagecraft	70,926	52,601	42,850
CEPS	CSD	13.11	Student Counseling and Personnel Services	68,239	54,741	48,306
	EDA	13.04	Educational Administration and Supervision	78,312	58,748	52,834
	ELE	13.12	Teacher Education & Professional Dev, Specific Levels and Methods	73,738	54,745	48,393
	HST	31.05	Health and Physical Education/Fitness	69,509	55,012	47,331
	PED	31.05	Health and Physical Education/Fitness	69,509	55,012	47,331
	REC	31.01	Parks, Recreation & Leisure Studies	70,117	56,952	48,115
	SED	13.12	Teacher Education & Professional Dev, Specific Levels and Methods	73,738	54,745	48,393
	SPE	13.10	Special Education and Teaching	71,203	56,721	49,337
	STG	13.12	Teacher Education & Professional Dev, Specific Levels and Methods	73,738	54,745	48,393
COS	BIO	26.01	Biology, General	72,215	56,241	47,824
	CDS	51.02	Communication Disorders Sciences and Services	72,786	59,253	51,644
	CHM	40.05	Chemistry	73,254	56,805	48,409
	ECN	45.06	Economics	77,728	66,385	60,251
	GEL	40.06	Geological and Earth Sciences	76,250	57,777	50,278
	GEG	45.07	Geography and Cartography	68,996	54,815	46,699
	G-G		Weighted average of 40.06 (50%) and 45.07 (50%)	72,623	56,296	48,489
	MAT	27.01	Mathematics	72,065	58,045	48,837
	PHY	40.08	Physics	72,963	57,264	47,560
	PLS	45.10	Political Science and Government	70,418	56,343	45,099
	PSY	42.01	Psychology, General	74,621	55,195	48,388
	ANT	45.02	Anthropology	#N/A	54,651	46,592
	SOC	45.11	Sociology	72,346	55,144	45,273
	S-A		Weighted average of 45.02 (10%) and 45.11 (90%)	72,346	55,095	45,405
LCBAS	BUS	52.xx	Business, Management, Marketing, and Related Support Services	90,471	81,576	76,993
	FCS	19.01	Family and Consumer Sciences/Human Sciences, General	74,696	56,897	48,678
	TEC	15.06	Industrial Production	74,515	62,916	53,762
LIB	LIB	#N/A	#N/A	76,833	52,236	44,064

Note: CUPA data are means based on 4-digit CIP discipline codes whenever possible. The two-digit CIP discipline code is used for AFR, BUS, JOU, and REC. Weighted averages of two 4-digit CIP discipline codes are used for G-G and S-A. In the UPI comparison group, no value is available for the Professor rank of AFR or for the Professor rank in anthropology to use in weighted average for S-A.

A target salary for every tenured/tenure track faculty member holding the rank of assistant, associate, or full professor, was determined by rank and number of years in rank as a percentage (Table 2) of the appropriate mean salaries shown in Table 1.

Table 2

Target salaries as a percentage of CUPA mean of peer institutions by discipline as a function of rank and years in rank

RANK	0 YEARS	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	6 YEARS	>6 YEARS
Full	86% of CUPA discipline mean	90% of CUPA discipline mean	92% of CUPA discipline mean	94% of CUPA discipline mean	96% of CUPA discipline mean	98% of CUPA discipline mean	100% of CUPA discipline mean	115% of CUPA discipline mean if PAI in previous 6 years
Associate	86% of CUPA discipline mean	90% of CUPA discipline mean	94% of CUPA discipline mean	98% of CUPA discipline mean	102% of CUPA discipline mean	106% of CUPA discipline mean	110% of CUPA discipline mean	
Assistant		90% of CUPA discipline mean	94% of CUPA discipline mean	98% of CUPA discipline mean	102% of CUPA discipline mean	106% of CUPA discipline mean	110% of CUPA discipline mean	

Table 2 requires some explanation. The Assistant Professor rank box at zero years is grayed out because in most cases a new faculty member is hired in at this rank, and the hiring salary is negotiated outside of the CBA for the first year of service (i.e.; 0 years). In other words no faculty member receives a CBA negotiated pay increase during their first year of service. For both assistant and associate ranks the range from year 1 to year 6 is ± 10% of the CUPA mean by discipline. Both ranks are ineligible for a market equity increase if their salary is greater than 110% of the CUPA discipline's mean after 6 years. The six-year ceiling for market increase percentages is consistent with the timeframe for applying for promotion or for a professional advancement increase (PAI)[6]. It is worth mentioning that halfway to the time required for eligibility for promotion from assistant professor to associate professor and from associate professor to full professor, the target salary is designed to be 100% of the CUPA derived mean. The scheme for full professor is different, requiring 6 years for the target salary to reach 100% of the mean, then 115% "if PAI in previous 6 years".

To achieve parity with the grid shown above (Table 2) could require a considerable sum of money. There is an inherent reluctance to allocate a large amount of money for discipline

[6] In the EIU - UPI CBA, full professors are eligible to apply for a merit-based professional advancement increase (PAI) after five years in rank and every five years since the previous PAI. The salary increase for a PAI is the same as for promotion.

specific market equity increases from the union perspective. As such an agreement was reached whereby, in effect, an ATB salary increase of 4.75% was specified for all bargaining unit members. In addition, "1.0% is provided as a market adjustment by rank and by discipline for those Unit A employees whose nine-month salary is below the mean of the comparable rank and discipline of the comparison group of 15 Midwest public comprehensive universities." (AFT OCD, 2013). The 1% referred to corresponds to a precise dollar amount calculated as 1% of the total salary base of all tenured/tenure-track faculty members. For the sake of clarity, assume 1% corresponds to $100,000. Now taking the difference in salary for each faculty member below the CUPA mean, by rank and discipline, and applying the agreed upon Table 2 benchmarks, a market equity based salary adjustment is calculated for every individual (if applicable). The sum of these salary increases is the amount of money necessary to reach the salary benchmark for every individual faculty member. Again, for the sake of clarity, assume that this number is $200,000. In this scenario, each faculty member would receive 50% of their calculated market equity increase.

Conclusion

Again, key to success of an agreement that includes market-based equity by rank and discipline is a substantial ATB increase with a lesser portion applied to market equity; few unions could agree to anything else. Note that in 2010 a two-year successor CBA was ratified. This agreement was negotiated after the financial crisis and included a small ATB increase. Sufficient resources were not available to include a market equity increase without severely limiting the ATB increase. In that context the idea of including market-based equity or a similar scheme was not considered in negotiations for the 2010 CBA.

Our experience at EIU negotiating this and other complex issues has been that using open, verifiable data analyzed jointly applying objective, agreed upon criteria can be a tremendous help to achieving an agreement. If this or a similar market-based equity scheme were applied over the course of a few years, it would go a long way toward addressing problems of faculty salary compression and erosion of faculty salaries relative to market.

It is worth mentioning that there exist some complications that are not adequately addressed in this scheme. First, high performers who have achieved market equity on their own through performance based increases would receive less or no market equity based increase compared to an average performer. Second, full professors who have been in rank for many years would receive no market equity increase since they would likely have achieved a salary >115% of the CUPA mean. Furthermore, there exist some academic disciplines within which certain sub-disciplines command higher salaries (e.g. clinical psychologists and school psychologists within a psychology department). These and perhaps other shortcomings can likely be found and addressed if bargainers deem necessary. Nonetheless, we believe that this is a good model that worked well at Eastern Illinois University.

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