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## THE MERIT OF A POINTS-BASED MERIT SYSTEM AT THE EDWARDS SCHOOL OF BUSINESS

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*Dionne Pohler wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.*

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Dionne Pohler was not looking forward to the meeting she had to attend in one hour to finalize the points-based merit system that her department was planning to implement. An assistant professor at the University of Saskatchewan in Saskatoon, Canada, she had been employed by the Edwards School of Business (Edwards) in the Department of Human Resources and Organizational Behaviour in a tenure-track position since 2009. Merit pay at the University of Saskatchewan was used to reward faculty for exceptional performance in research, teaching and/or service through increases to base salaries. A newly negotiated collective bargaining agreement in 2010 had necessitated changes to the previous procedures for allocating merit at the university, and each department was required to develop its own standards and procedures. Now, in the spring of 2011, Pohler was struggling with the decision to support or oppose the proposed points-based merit system in her department; she was worried about potential consequences that may arise. She had been fairly vocal about her concerns thus far and had even outlined her thoughts in a 37-point memorandum, which she had circulated to the other members of her department. In particular, Pohler wrestled with how the points-based system affected her intrinsic motivation toward her work and how it was forcing her to evaluate the trade-offs between performing different activities.

Pohler loved almost everything about her job as an academic. She felt fortunate to have found a career path she enjoyed so much, especially since she was only 29 years old. After completing her Ph.D. at the University of Alberta, Pohler had accepted a position at the University of Saskatchewan both because she was originally from Saskatchewan and because she wanted to work at an institution that valued research and teaching. The Edwards School of Business had historically been viewed as a teaching institution; however, increasing emphasis was being placed on the importance of scholarly work. Following the broader goals of the university as a whole, Edwards had espoused its commitment to the teacher-scholar model, which encouraged faculty to spend approximately 40 per cent of their time on research, 40 per cent on teaching and 20 per cent on service for faculty members. Being hired directly out of a research-intensive Ph.D. program, Pohler was excited about being part of these increasing opportunities for improving the research culture while simultaneously being able to devote time to improving her teaching ability, as working with students gave her a great amount of personal satisfaction.

One of the first things Pohler became involved with at the Edwards School of Business was coaching a student team for the Excalibur Canadian University Tournament in Human Resources held annually in Montreal, Quebec. The year 2009 marked the first time Edwards had a team compete in Excalibur; the team placed third out of 23 universities from across Canada. The next year, in 2010, the team placed in the top seven finalists out of 27 university teams from across the country. However, Pohler was debating whether or not it was worth her time to continue coaching the Excalibur team, as she needed to focus on her research and journal publications in order to secure tenure and promotion. Pohler enjoyed doing everything her job involved but the proposed points-based merit system at Edwards forced her to articulate her priorities in ways that caused her a great deal of uneasiness.

## INSTITUTIONAL BACKGROUND

The University of Saskatchewan was the largest degree-granting institution in the Canadian province of Saskatchewan, with more than 20,500 students.<sup>1</sup> The newly named Edwards School of Business (after N. Murray Edwards, a successful businessman and former alumnus of the school) was the second-largest college at the University of Saskatchewan, annually enrolling approximately 2,000 undergraduate and graduate students and employing approximately 46 tenured and tenure-track faculty, 45 contract (fixed-term) lecturers and sessional lecturers and 34 non-academic staff in four different departments: human resources and organizational behaviour, management and marketing, finance and management science and accounting. The past year had been a transformational one, as Edwards had hired a new Dean, Dr. Daphne Taras, and was currently in the initial stages of undergoing an accreditation process with the Association to Advance Collegiate Schools of Business (AACSB). The University of Saskatchewan as a whole was also going through an integrated planning process, which included strategies for enhancing faculty research, the student experience and faculty engagement.

Saskatchewan had historically been seen as one of the less affluent provinces in Canada, but it managed to avoid the worst effects of the global recession of the late 2000s by achieving steady growth due to its resource-fueled economy. For the preceding few decades, young people had been leaving Saskatchewan, mainly to pursue the promise of wealth in the neighbouring province of Alberta. Until 2006, the province's population had been experiencing slow and steady decline for almost 20 years.<sup>2</sup> However, in recent years Saskatchewan had become a destination for those seeking employment and new business opportunities. Many of those with roots in the province began to return home, followed by others who were arriving for the first time. In fact, Dean Taras joked on numerous occasions that upon learning she had just moved to Saskatoon, residents would often ask her if she was originally from Saskatchewan or if she was rejoining family; her response was, "No, I really have zero reason to be here except that the city is at a takeoff point."<sup>3</sup>

As part of a more comprehensive HR strategy surrounding renewal and culture change in the business school, Edwards had introduced a research-based teaching relief policy in recent years, whereby faculty who met certain minimum requirements with regards to scholarly work became eligible for a reduction in teaching responsibilities. Edwards had also hired a substantial number of new research-intensive professors directly out of Ph.D. programs, meaning that more than 64 per cent of the school's academic appointments consisted of tenure-track (non-tenured) faculty.

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<sup>1</sup> David Hannah, Russell Isinger and Claude Lang, "Enrolment Report: Census Day," *University of Saskatchewan*, October 12, 2010, [www.usask.ca/sesd/reports/enrolment-report-2010.pdf](http://www.usask.ca/sesd/reports/enrolment-report-2010.pdf), accessed on June 21, 2011.

<sup>2</sup> "Saskatchewan Population: Components of Growth," *Saskatchewan Bureau of Statistics, Ministry of Finance, from Statistics Canada Demography Division*, [www.stats.gov.sk.ca/stats/population/pop2.pdf](http://www.stats.gov.sk.ca/stats/population/pop2.pdf), accessed June 21, 2011.

<sup>3</sup> Gordon Pitts, "Selling the Saskatchewan Advantage," *The Globe and Mail*, August 2, 2010, [www.globeadvisor.com/servlet/ArticleNews/story/gam/20100802/ATTHEOPTARAS02ATL](http://www.globeadvisor.com/servlet/ArticleNews/story/gam/20100802/ATTHEOPTARAS02ATL), accessed June 21, 2011.

With regards to recruitment, Edwards had two competitive advantages. Firstly, there was a significant lack of available positions in North American business schools since the recession had forced many universities to implement hiring freezes. The Edwards departmental search and hiring committees therefore had larger applicant pools to choose from when selecting new faculty members. The second advantage Edwards had was that the booming Saskatchewan economy led many candidates to apply who were originally from Saskatchewan or another Prairie province. In some cases, faculty members even took pay cuts or accepted lower salaries than they would have otherwise been able to achieve in order to be close to their families. These new recruits were used to the region's harsh winters and relatively isolated location and the stimulated economy also made it easier for their spouses to find meaningful work. All of these factors increased the likelihood of retention. Recruitment of faculty could be a time-consuming and costly process and the relocation that was almost always necessary when hiring a new faculty member often meant that costs associated with faculty turnover could be substantial.

The population influx in the province as a whole resulted in an increased demand for housing and wages in Saskatchewan needed to keep pace with the rising cost of living. Salaries for professors were well below the national average.<sup>4</sup> For assistant professors, mean salaries were \$7,500 below the 75th percentile of comparator institutions and \$4,000 below the national average; for associate professors, average salaries lagged \$12,000 and \$7,000, respectively; for full professors, salaries lagged \$13,000 and \$7,000, respectively.<sup>5</sup> Consequently, the University of Saskatchewan had successfully negotiated a three-year collective agreement with the University of Saskatchewan Faculty Association in 2010 that would see a wage increase of 12.5 per cent (plus \$300) over three years (see Exhibit 1) and create a much larger pool of funds available for merit (officially referred to as special increases).

Both the university's administration and the faculty union wanted to see salaries rise to the 75th percentile of comparator universities, as there had been problems with attracting qualified faculty members due to the comparatively low wages. It was believed that this new three-year settlement would lead to salaries surpassing the national average, but still only reaching somewhere between the 50th and 75th percentile of comparator institutions.<sup>6</sup> Nevertheless, the settlement was in stark contrast to the situation facing many other universities in Canada, where furlough days (unpaid vacations) were being forced upon faculty in order to address budget deficits.<sup>7</sup> The situation was even worse in the United States, where some state governments were reducing wages and benefits for public sector employees and layoffs were becoming frequent.<sup>8</sup> Dean Taras was in favour of increasing wages to the 75th percentile of comparator institutions in order to attract and retain qualified faculty, but commented that with wages increasing to the 75th percentile there should also be an equivalent increase in faculty productivity.

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<sup>4</sup> "Salaries and Salary Scales of Full-time Teaching Staff at Canadian Universities, 2006/2007: Preliminary Report," *Culture, Tourism and the Centre for Education Statistics Division, Statistics Canada*, [www.statcan.gc.ca/pub/81-595-m/81-595-m2007052-eng.pdf](http://www.statcan.gc.ca/pub/81-595-m/81-595-m2007052-eng.pdf), accessed on June 21, 2011.

<sup>5</sup> Jim Cheesman, "Tentative agreement 2010-2013: Towards Competitive Compensation," *Collectively Speaking*, University of Saskatchewan Faculty Association, August 20, 2010.

<sup>6</sup> *Ibid.*

<sup>7</sup> "U of A Staff Seek Backing for Furlough," *Canadian Broadcasting Corporation*, November 12, 2009, [www.cbc.ca/news/canada/edmonton/story/2009/11/11/edmonton-university-furlough-cuts.html](http://www.cbc.ca/news/canada/edmonton/story/2009/11/11/edmonton-university-furlough-cuts.html), accessed November 12, 2011.

<sup>8</sup> Andrew Reschovsky, "Wisconsin Risks Losing Its Best Public Employees," *CNN*, February 21, 2011, [http://articles.cnn.com/2011-02-21/opinion/reschovsky.wisconsin.budget\\_1\\_budget-gap-budget-woes-general-fund-budget?\\_s=PM:OPINION](http://articles.cnn.com/2011-02-21/opinion/reschovsky.wisconsin.budget_1_budget-gap-budget-woes-general-fund-budget?_s=PM:OPINION), accessed November 12, 2011; Kane Farabaugh, "US Public Sector Cuts Spark Protests in Wisconsin," *February 17, 2011*, [www.voanews.com/english/news/usa/US-Public-Sector-Cuts-Spark-Protests-116436134.html](http://www.voanews.com/english/news/usa/US-Public-Sector-Cuts-Spark-Protests-116436134.html), accessed November 12, 2011.

## THE COLLEGIAL PROCESS AND THE MERIT SYSTEM

Most processes at the University of Saskatchewan were democratic in nature and as a result, senior administration had a fairly limited ability to impose unilateral decisions. Faculty members had a great deal of influence in areas that would normally be considered a managerial prerogative, such as hiring, firing and allocation of merit pay. Collegial processes were common across academic institutions, even in non-unionized environments, due to the nature of academic work. The philosophy was that the people most qualified to judge the value of a faculty member's research and teaching contributions were those who understood (i.e., were involved in) the relevant field; however, drawbacks of the collegial process included the fact that it could sometimes result in direct conflict. Many faculty members deferred to other colleagues' opinions to avoid this. The situation could be further complicated if many faculty were non-tenured, as those faculty members' positions were more precarious. Tenured faculty voted on renewal of probation and tenure cases for non-tenured faculty; therefore, non-tenured faculty may have wanted to avoid displeasing — or disagreeing with — someone who would eventually be voting on their tenure case.

Supported by the board of governors, merit pay was introduced at the University of Saskatchewan by senior administration to encourage and reward faculty for exceptional productivity in activities that benefitted the institution. A full merit increase was equivalent to one career development increase (CDI; see Exhibit 1), and merit could be rewarded as either a full (\$2,672) or a half (\$1,336) increment. Merit increases became integrated into a faculty member's base pay, were additional to the maximum number of seniority-based CDIs allowed for each rank and were not limited by salary ceilings (see Exhibit 1). For faculty members at the top of their pay scales (i.e., those who had already received all six of the CDIs due to seniority increases), receiving merit was the only way to achieve a salary increase aside from negotiated increases during collective bargaining or securing an alternative job offer as leverage.

Procedures for allocating merit were governed by terms and conditions outlined in the collective agreement and standards were historically set at the college level.<sup>9</sup> At Edwards, faculty members could individually decide whether or not to apply for merit each year and department heads (or optionally, sub-committees of department members) would make recommendations to the College Review Committee (CRC)<sup>10</sup> about who should receive merit increases in their department. Faculty could receive either a full or a half merit and the CRC was not entitled to give any one faculty member more than one full increment. In deserving cases, recommendations were made to the President's Review Committee (PRC) to increase the merit given to a faculty member. The standards for merit were fairly broad. The process for determining merit consisted of a discussion at the CRC of the cases put forth by the department heads; members of the committee would then vote on who they thought should receive merit. If any members of the Committee had applied for merit, they were required to leave the room during the discussion and voting of their own cases, or for cases involving any members of their own departments.

The recently negotiated collective agreement changed the procedures for allocating merit (see Exhibit 2). Edwards was a departmentalized college and the agreement required individual departments to be responsible for setting standards and allocating half of the available merit increases at the departmental level. The CRC would then have the ability to allocate more merit at the college level and the PRC would

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<sup>9</sup> *The University of Saskatchewan referred to each of the different centres on campus as "colleges" (e.g., the College of Agriculture, the College of Engineering, the College of Arts and Science, etc.). Prior to its renaming, the Edwards School of Business was known as the College of Commerce. Each college was responsible for setting standards related to tenure, promotion and merit for their faculty.*

<sup>10</sup> *The College Review Committee (CRC) is chaired by the Dean and is made up of a cross-section of tenured professors from different departments within the Edwards School of Business. The function of the CRC is to oversee and approve all departmental collegial processes, as well as to ensure consistency and fairness in the application of policies and procedures between departments.*

be able to allocate even more merit for deserving faculty members at the university level. Therefore, a faculty member could potentially receive three full special increases under the new collective agreement (total value of \$8,016 in the first year).

The agreement also increased the amount of merit available from 290 full increments to 600 full increments annually, which made it theoretically possible for approximately 80 per cent of all faculty members to receive at least some merit. However, the collective agreement also stipulated that at least 50 per cent of the awards must be given as full (as opposed to half) increases and faculty could potentially receive up to three special increases in each year's salary review process. Furthermore, colleges and departments were not required to give out all of the merit money available. Merit funds not used at the departmental level would go to CRC; merit funds not allocated at the college level would go to the PRC. Unused merit funds at the university level would stay at that level for next year's salary review process.

### **Setting the Standards**

Because the new collective agreement had not been ratified in time to set departmental standards for the 2010-2011 year, the university and the union agreed to give colleges and departments a one-year grace period to develop and formally implement the new standards. Accordingly, all of the departments at Edwards used the old system for 2010-2011 while the new standards were being developed.

Prior to her appointment as Dean of Edwards in 2010, Taras had been employed at a university where she felt the use of a points-based merit system for faculty had appeared to work quite well; it seemed to have contributed to improved perceptions of procedural justice in the allocation of merit. Taras was increasingly occupied with collecting tangible measures of recent faculty output for the AACSB accreditation process, and for ensuring a successful culture transformation focused on greater research productivity within Edwards. The general consensus among Edwards faculty was that it would be preferable if all departments at the school adopted the same standards: allocation of merit at the level of CRC would then be much simpler. Therefore, the Dean commissioned two of the current department heads to develop a points-based system that would hopefully be ratified by all four departments in the school (see Exhibit 3).

### **Faculty Reactions**

Initial faculty reactions to the proposal were mixed. Many agreed with the rationale behind the new system. They felt that attempts to make procedures for the allocation of merit transparent was a step in the right direction; it would increase perceptions of procedural justice because all current faculty members would be able to contribute to decisions about merit awards. It would also be clear to new faculty members what types of activities were valued at Edwards and how the different activities were valued relative to each other.

Additionally, since the points system would remove most of the judgment and discretion required in deciding to reward merit, it would discourage favouritism and faculty members would be able to calculate their own points independently. Under the old merit procedures outlined in the collective agreement, the responsibility for ranking professors in the department could be delegated to the department head. Under the new system, a departmental committee had to be formed, and some faculty members were worried that they would have to adjudicate and rank their own colleagues, potentially creating awkward confrontations. However, with a points-based system, faculty members would be able to rely on the explicit evidence that points provided (or "point to the points") rather than pursue unnecessary or potentially hurtful discussions

on why a certain activity was not highly valued. Establishing the points for each activity before actually implementing the system would avoid linking any specific faculty member to a particular activity, further reducing the potential for favouritism; however, some faculty members were already linked to certain activities (i.e., case competition coaching).

The new points-based system was designed to recognize a broad range of activities in the allocation of merit, and to reward faculty members who may otherwise be overlooked for exceptional teaching or service. Since the University of Saskatchewan adhered to the teacher-scholar model, faculty members were encouraged to allocate equal time to teaching and research. Under the judgment-based method, many faculty members felt that research was too heavily weighted. Those in favour of research being the primary criterion for merit pay argued that research productivity played a much larger role in tenure standards than teaching or service, and that promotion to full professor was based on the national and international reputation of the scholar, which was usually earned via research. Similarly, external marketability was generally enhanced more through research productivity than through excellence in either teaching or service. Furthermore, with few exceptions, performance in teaching and service areas was argued to be fairly predictable and more uniform, while research success was often sporadic and the only major source of differentiation between faculty members.

Some professors were less optimistic that a points system would achieve objectivity and fairness. They worried about unintended consequences, such as faculty manipulating or “gaming” the system. In order to discourage these behaviours, the proposal included a minimum and maximum number of points required in each category in order to foster balance across categories. However, stipulating a maximum number of points that could be earned may negatively affect motivation: faculty may see no reason to keep working once the maximum points had been achieved for a particular category.

Under the proposed system, there was also potential to turn tasks that were intrinsically motivating into ones that were extrinsically driven. For instance, Pohler enjoyed coaching the Excalibur competition team, but when she learned that only 1.5 points were proposed to be allocated to the task — even though coaching the team required approximately six hours of time per week for three months prior to the competition as well as a four-day time commitment for the actual competition — she debated whether or not it was worth her time to continue performing this service. One of the running jokes among faculty members asked to undertake committee work was the reply, “I am not sure if I want to be on that committee . . . how many points is it worth?” Some academics expressed concerns about the evaluation of the teaching category, remarking that many of the proposed adjustments were not supported by research surrounding validity of student ratings (e.g., one proposed adjustment was to give faculty members more points for teaching upper year and graduate courses, and another proposed adjustment was to give faculty members more points if their course was perceived as more difficult or had a heavier workload relative to other courses). Empirical research found that upper year and elective courses were often associated with higher teaching ratings,<sup>11</sup> and perceived course difficulty and workload did not necessarily equate to lower teaching evaluations, and may even slightly increase ratings<sup>12</sup>.

Another concern that was raised was the fact that many of the activities assigned points did not provide the ability to assess quality versus quantity; for example, one professor could spend one hour a week mentoring an honours student, while another could dedicate eight hours a week to mentoring, and they

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<sup>11</sup> Gerald Gillmore and Anthony Greenwald, “Using Statistical Adjustment to Reduce Biases in Student Ratings,” *American Psychologist*, 54(7), 1999, pp. 518-519.

<sup>12</sup> Herbert Marsh and Lawrence Roche, “Effects of Grading Leniency and Low Workload on Students’ Evaluations of Teaching: Popular Myth, Bias, Validity, or Innocent Bystanders?” *Journal of Educational Psychology*, 92(1), 2000, pp. 202-228.

would both achieve the same number of points for the activity. There could also be a substantial difference in the quality of journal publications. Although there were some published lists and “impact factors” that attempted to assess journal quality as a proxy for the quality of a journal’s articles, many of these lists were not comprehensive. Furthermore, it was difficult to compare journal quality across different types of research streams, even within the same department. Within accounting, for example, some faculty members were studying behavioural-based phenomena, some were grounded in economic theory and capital markets, some were publishing in accounting education and some adopted a critical perspective; each of these areas could have its own “top” journals, respectively.

Complicating matters further, there were three different types of academic appointments eligible for merit at Edwards, each with a different focus and responsibilities: term lecturers (limited term appointments with an exclusive focus on teaching), new alternative tenure-track academic programming appointments (with a greater focus on teaching than scholarly work) and traditional tenure-track/teacher-scholar appointments (with a balance between teaching and scholarly work). How would the new system achieve fairness and equity when trying to compare faculty accomplishments across such a broad range of positions? A related issue was the fact that junior faculty members needed to focus more on their research in order to secure tenure and develop their careers; however, the standards for merit were not necessarily equivalent to the standards for tenure and promotion, creating misalignment between different HR practices and confusion among junior faculty about the desired behaviours.

Unions typically advocated for across-the-board increases to base salaries rather than merit pay, and the Canadian Association of University Teachers had been fairly critical of merit for academics.<sup>13</sup> The University of Saskatchewan Faculty Association also published a series of letters sent to faculty in which they outlined many criticisms of merit-based pay. In line with the union’s philosophy, many of those in favour of the points-based system viewed it as having the potential to reward faculty members who might not otherwise receive merit under the old system. One of the ways the proposed system would ensure this was by stipulating that points would be cumulative: a faculty member’s points would only be cleared (i.e., reset to zero) once merit was received. Therefore, an average performer could be assured to receive merit at least every few years. Although this was allowable under the terms of the collective agreement, under the judgment-based system accomplishments accumulated over a number of years were often discounted (i.e., intensity and timeliness of performance was taken into account). Within the proposed points-based system, faculty members would be, in a way, simply “taking turns” receiving merit. This appealed to many who thought the merit system caused too much competition and friction between colleagues; however, many productive faculty were quite concerned that this would only serve to demotivate, and undermine the entire purpose behind the merit system.

Management often favoured performance-based compensation as a tool to retain their best performers, arguing that those who were most productive deserved more than those who were not. One department head at Edwards commented that the merit system was also used as a tool to ensure salary progression, which served as an effective retention strategy to guard against faculty members leaving for higher salaries elsewhere. The new points-based system would also encourage all faculty members to submit a performance summary every year, making academics more accountable for their performances.

As all of these aspects of the proposed system came to light, more general debates began to arise over the purpose of the merit system at Edwards.

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<sup>13</sup> Paul Handford, “Merit Pay — A Bonus for the Employer?” *CAUT Bulletin*, [www.cautbulletin.ca/en\\_article.asp?articleid=1539](http://www.cautbulletin.ca/en_article.asp?articleid=1539), accessed June 21, 2011.

## **FINALIZING THE NEW MERIT SYSTEM**

As Pohler contemplated the points system prior to the meeting, she continued to struggle with the philosophy behind it and how it was already affecting her motivation toward performing certain tasks. While the points-based system appeared to be more objective and transparent and could therefore potentially decrease conflict between colleagues in each department when allocating merit, she was not convinced that it would actually achieve these goals. Furthermore, if the departments decided on a system of point allocation that ultimately proved unbalanced, the unintended and potentially adverse consequences might mean that a less equitable outcome would be achieved than by using a solely judgment-based approach. Pohler had recently heard that the accounting department and management and marketing department had decided to stick with the judgment-based allocation of merit, but, that like her own department, the finance and management science department had resolved to adopt some version of the points system.

As she gathered up her papers to head to the meeting, Pohler realized that there were many advantages and disadvantages to the points system. She had discussed the new system at length with colleagues in her own department as well as in others, and many faculty members seemed to be willing to try it out. Therefore, she decided that she would attempt to cooperate with the collegial process to achieve the best possible points-based system that could be developed. However, Pohler remained uncertain about the points system and the pay-for-performance philosophy in her department in general. She was also not sure if she should continue to coach the Excalibur competition team — after all, her immediate goal was to achieve tenure and in order to do so, she needed to focus on her research.



## Exhibit 1

## SCHEDULE OF SALARIES

July 1, 2010 – June 30, 2011

	Floor	CDI Value	# of CDIs for Rank	CDI Ceiling	With Special Increases
<b>Professor</b>	\$110,995	\$2,672	6	\$127,027	Unlimited
<b>Associate Prof.</b>	\$94,963	\$2,672	6	\$110,995	Unlimited
<b>Assistant Prof.</b>	\$78,931	\$2,672	6	\$94,963	Unlimited

July 1, 2011 – June 30, 2012

	Floor	CDI Value	# of CDIs for Rank	CDI Ceiling	With Special Increases
<b>Professor</b>	\$115,736	\$2,779	6	\$132,410	Unlimited
<b>Associate Prof.</b>	\$99,062	\$2,779	6	\$115,736	Unlimited
<b>Assistant Prof.</b>	\$82,388	\$2,779	6	\$99,062	Unlimited

July 1, 2012 – June 30, 2013

	Floor	CDI Value	# of CDIs for Rank	CDI Ceiling	With Special Increases
<b>Professor</b>	\$120,664	\$2,890	6	\$138,004	Unlimited
<b>Associate Prof.</b>	\$103,324	\$2,890	6	\$120,664	Unlimited
<b>Assistant Prof.</b>	\$85,984	\$2,890	6	\$103,324	Unlimited

*Note: There are three levels of compensation for professors at the University of Saskatchewan. The first level consists of a union-negotiated across the board increase to base salaries of 12.5 per cent (plus \$300) over three years. The second level consists of career development (or seniority) increases (CDI), equivalent to one CDI for each year of employment, up to the CDI ceiling associated with the professor's rank. The third level consists of the special increases (or merit). One full merit increase is the equivalent of one CDI. Although the special increase becomes part of the professor's base pay, there is no salary ceiling associated with this level of compensation. The special increases thus constitute the variable or pay-for-performance portion of a professor's salary.*

Source: "2010-2013 Collective Agreement," *University of Saskatchewan Faculty Association*, [www.usaskfaculty.ca/about/agreement.php](http://www.usaskfaculty.ca/about/agreement.php), accessed November 12, 2011.

**Exhibit 2****2010-2013 UNIVERSITY OF SASKATCHEWAN FACULTY ASSOCIATION  
COLLECTIVE AGREEMENT: CHANGES TO ARTICLE 17 (SPECIAL INCREASES)**

There is a requirement for departments and colleges to have standards for the award of merit.

1. The salary review process must now be conducted by a committee. There is no longer an option to have a Department Head or Dean make decisions for the award of merit.
2. Departments will now be responsible for awarding some special increases and may award up to one full special increase.
3. Department Salary Committees may award employees a special increase and make a further recommendation to the College Review Committee (CRC) for additional merit.
4. A Department Salary Committee may recommend additional employees to the CRC if there are insufficient funds available.
5. The CRC will still review decisions of department salary committees, but only for consistency and appropriateness. It may not alter decisions made by Department Salary Committees.
6. CRC may award up to two special increases and recommend employees to the President's Review Committee (PRC) for additional merit.
7. Salary committees must inform employees of rankings, awards and recommendations as well as provide reasons.
8. While there continues to be the ability to award half of a special increase, there is a requirement that a minimum of two-thirds of the awards must be a full special increase, creating the potential to make as many as 800 (400 full and 400 half) merit awards in any year.
9. An employee may receive a maximum of three special increases.
10. One half of the total funds for the award of merit is allocated to salary committees in departments and non-departmentalized colleges. PRC is allocated funds equivalent to 60 career development increases and the remainder is used by CRCs.
11. Funds allocated to Department Salary Committees that are not used go to the CRC and any funds allocated to the CRC and College Salary Committees that are not used go to PRC. Any unused funds at PRC are allocated to PRC for the salary review process in the next year.

*Source: Collective agreement update email sent from University of Saskatchewan Faculty Association Executive Committee on August 27, 2010.*

**Exhibit 3****EDWARDS SCHOOL OF BUSINESS  
STANDARDS AND PROCEDURES FOR AWARDING SPECIAL INCREASES**

(Draft: April 5, 2011)

The guiding principle for these standards for awarding special increases at the Edwards School of Business, and one that has been enshrined in practice for many years, is that special increases should not be awarded when accomplishments in one category have been achieved at the expense of the performance in the other main performance categories. Therefore the Departmental Salary Committee (DSC) and The College Review Committee will examine information in all relevant performance categories when deciding on special increases.

For the purposes of this document, three main categories of performance are established: (1) teaching, (2) research and scholarly work, and (3) university and public service. These categories are designed to incorporate the bases for special increases identified in Article 17.2 of the collective agreement (with the exception of Article 17.2.8 – Offer of Employment from a Comparable Institution, which would be handled separately).

For all faculty under the normal teacher-scholar model, the standards allow for a maximum of 40 points for teaching, 40 points for research and scholarly work, and 20 points for university and public service. For those appointments designated as Academic Programming, the standards will provide for a maximum of 70 points for teaching, 10 points for scholarly work, and 20 points for university and public service.

The Salary Review Points Allocation Form on the following pages is designed for the normal teacher-scholar appointments, but is also designed to be easily adjusted to accommodate Academic Programming Appointments. Adjustments for academic programming appointments are achieved by multiplying points in Section 1 (Teaching) by 1.75, and by providing a maximum of 10 points for scholarly work. This adjustment is intended to reflect the work allocation for academic programming appointments described above.

Overall, it is possible for candidates to obtain up to 100 points during the relevant review period. At the Department level, all candidates will be ranked by total points, and then those candidates with the most points will receive a full or a half special increment. (Departmental Salary Committees must award at least two-thirds of their special increase funds as full increments.) To be eligible for a special increase, a case would normally need to have a specified minimum number of points in each category.\*\*

Once the DSC has made its decisions regarding the funds at its disposal, it may then make recommendations of two kinds to the College Review Committee. The first recommendation would be for a special increase to be awarded to a department member deemed deserving, but who could not be allocated a special increment due to the depletion of funds. The second type of recommendation would be for an additional special increase for those candidates who were awarded a special increase, but who are deemed to deserve more.

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\* We note that faculty members who are on sabbatical leave are eligible for consideration for special increases. Given that those faculty on a full-year sabbatical would have no assigned teaching or service responsibilities during that time period, the score on research and scholarly work would be multiplied by 2.5 to derive a score out of 100 for the sabbatical year for those faculty under the teacher-scholar model.

\*\* For teacher-scholar appointments, the following minimum points in each category would be required to be eligible for a special increase: (1) Teaching: 15 points, (2) Research and Scholarly Work: 15 points, (3) Service: 7.50 points. For academic programming appointments, the following minima apply: (1) Teaching: 26.25 points, (2) Scholarly Work: 3.75 points; (3) Service: 7.50 points. Any case in which any category falls below these minima will not be eligible for a special increase.

**Exhibit 3 (continued)**

At the College Review Committee, all candidates put forward by the Department Salary Committee will be ranked by total points, and up to one full increment (subject to the “two-thirds rule” cited above) will be provided to candidates until the increments are expended or the point totals drop below a threshold level. The College Review Committee can also make recommendations to the President’s Review Committee for up to one additional full increment for each recommended faculty member.

The collective agreement requires that all members of faculty be considered each year for special increases. Pursuant to Article 17.1.3.1, the process for collecting information is that each faculty member will submit a CV update form covering the previous academic year, along with any other information they wish to submit, to the Department Head by August 31. They should also submit a full, up-to-date CV (up to June 30). In a cover letter, faculty members should indicate which of the ten categories (see Article 17.2) for the award of special increases they believe to be particularly pertinent to their cases. They may cite more than one category. Supporting documentation should be provided for accomplishments cited in the CV update.

From this information, and other information available to the Department Head (such as teaching allocations and SEEQ scores), the Department Head will supervise the preparation of the “Salary Review Points Allocation Form” by a member of the administrative support team. Once prepared, the faculty member will be given the opportunity to review and provide feedback on the points allocation form. Areas of disagreement will be brought to the attention of the Department Head, who will then either modify the points allocation form accordingly, or note the nature of the disagreement by the faculty member in the documentation to be provided to the DSC.

The submissions from department members, along with the points allocation forms, will then be circulated to the Department Salary Committee, which will consist of all department members eligible to receive special increases, chaired by the Department Head. The Department Salary Committee will be able to adjust specific entries on the points allocation forms if they believe that any of the allocations are inconsistent with the standards. The DSC will then rank the candidates according to the point totals, and then allocate the available special increments accordingly. Following that, recommendations for further increments may be made to the College Review Committee.

**Salary Review Points Allocation Form**

The information provided below pertains only to the period under review. The period under review extends from the period in which the faculty member last received a special increase until June 30 of the most recent academic year. If the faculty member has never received a special increase, the period of review is from the date of appointment until June 30 of the most recent academic year. If the period of review is longer than one year, faculty accomplishments are cumulative from the beginning of the review period. When a special increment is awarded, all points in all categories will be deleted, and points will begin to accumulate again immediately after the end the review period to which the award pertains.

## Exhibit 3 (continued)

Name and rank of Faculty Member: Russell Hantz, Associate Professor (*Example for teaching*).

Period under review: July 1, 2009 to June 30, 2011.

(1) Teaching<sup>1</sup>

## (a) List the classes and sections taught each academic year during the review period:

July 1, 2010 to June 30, 2011

<u>Term</u>	<u>Course Number (Sections)</u>	<u>Course Title</u>	<u>SEEQ 1</u>	<u>SEEQ 2</u>
Term 1:	<b>COMM 1X1(01)(03)</b>	<b>Intro to Business</b>	<b>4.21</b>	<b>2.98</b>
Term 2:	<b>COMM 2X2(02)</b>	<b>Advanced Business</b>	<b>3.90</b>	<b>3.56</b>
Term 3:	<b>MBA 8X1(18)</b>	<b>Business Finance</b>	<b>3.60</b>	<b>4.20</b>

Note: SEEQ1 = Average of SEEQ questions 31 and 32 for a given instructor and class.  
SEEQ2 = Average of SEEQ questions 34 and 35 for a given instructor and class.

The measurement of teaching performance is based on SEEQ scores, and the following formula is used to calculate teaching performance points:

$(WSEEQ1/ASEEQ1) \times (WSEEQ2/ASEEQ2) \times 15 \text{ points} = \text{Teaching Performance Points}$

$( \underline{3.98} / \underline{3.90} ) \times ( \underline{3.43} / \underline{3.03} ) \times 15 \text{ points} = \underline{17.01}$

Note: WSEEQ1 = Weighted average (weighted by section) of SEEQ1 scores.  
WSEEQ2 = Weighted average (weighted by section) of SEEQ2 scores.  
ASEEQ1 = Average of SEEQ1 scores in the Edwards School of Business.  
ASEEQ2 = Average of SEEQ2 scores in the Edwards School of Business.

July 1, 2009 to June 30, 2010

<u>Term</u>	<u>Course Number (Sections)</u>	<u>Course Title</u>	<u>SEEQ 1</u>	<u>SEEQ 2</u>
Term 1:	COMM 1XX(01)	Intro to Business	4.08	2.92
Term 2:	COMM 4XX(02)(04)	Strategic Positioning	3.65	4.01
Term 3:	MBA 8XX(18)	Business Finance	3.60	4.22

Note: SEEQ1 = Average of SEEQ questions 31 and 32 for a given instructor and class.  
SEEQ2 = Average of SEEQ questions 34 and 35 for a given instructor and class.

$(WSEEQ1/ASEEQ1) \times (WSEEQ2/ASEEQ2) \times 15 \text{ points} = \text{Teaching Performance Points}$

$( \underline{3.75} / \underline{3.81} ) \times ( \underline{3.79} / \underline{3.17} ) \times 15 \text{ points} = \underline{17.65}$

Teaching Performance during the review period = 17.33

<sup>1</sup> SEEQ1 scores refer to the overall instructor and course ratings; SEEQ2 scores refer to the relative workload and course difficulty.

## Exhibit 3 (continued)

**(b) Teaching Contributions:**

b1. Number of different courses taught	<u>4</u> (1 pt each)	<u>4</u>
b2. Upper year undergrad teaching (300 and 400 level)	<u>1</u> (0.5 pts each)	<u>.5</u>
b3. Graduate teaching	<u>2</u> (1 pt each)	<u>2</u>
b4. Honours supervision	___ (2 pts per student)	___
b5. M.Sc. or PhD supervision	___ (2 pts per student)	___
b6. Masters or PhD committee	___ (0.5 pts each)	___
b7. Overload teaching	___ (2 pts per course)	___
b8. Other (describe below)	___ (2 pts max)	___

**(c) Teaching Awards:**

c1. Undergrad, MBA, MPacc	___ (3 pts each)	___
c2. USSU, Provost's Award	___ (10 pts each)	___
c3. Master teacher	___ (15 pts)	___
c4. 3M Scholar	___ (20 pts)	___

TOTAL CATEGORY 1 (TEACHING) POINTS = 23.83

**(2) Research and Scholarly Work****(a) Refereed Journal Articles:**

a1. Sole-authored refereed journal articles	___ (15 pts each)	___
a2. Co-Authored refereed journal articles	___ (10 pts each)	___
a3. Quality modifier for "A" journals	___ (15 pts each)	___
a4. Quality modifier for "B" journals	___ (5 pts each)	___

**(b) Books and Chapters in Books:**

b1. Sole-authored textbook (first edition)	___ (30 pts each)	___
b2. Co-authored textbook (first edition)	___ (20 pts each)	___
b3. Sole-authored textbook (subsequent editions)	___ (10 pts each)	___
b4. Co-authored textbook (subsequent editions)	___ (7 pts each)	___
b5. Book chapter	___ (4 pts each)	___

**(c) Conference Papers:**

c1. Refereed conference papers and abstracts published	___ (4 pts each)	___
c2. Quality modifier for "A" conferences	___ (1 pt each)	___
c3. Non-refereed conference presentations	___ (1 pt each)	___

**(d) Other Papers:**

d1. Papers in non-refereed or professional journals	___ (4 pts each)	___
d2. Technical reports relevant to academic field*	___ (2 pts each)	___
d3. Published book reviews	___ (1 pt each)	___
d4. Other written material (describe below)*	___ (2 pts max)	___

## Exhibit 3 (continued)

**(e) Research Grants\***

e1. SSHRC grant – Principal Investigator	_____ (10 pts each)	_____
e2. SSHRC grant – Co-Investigator	_____ (5 pts each)	_____
e3. Other grants	_____ (1 pt each)	_____
TOTAL CATEGORY 2 (SCHOLARLY WORK) POINTS =		_____

**(3) University and Public Service** (Includes contributions to Administration, if relevant.)**(a) University Service**

a1. Tier 1 committee chair	_____ (10 pts each)	_____
a2. Tier 1 committee member	_____ (5 pts each)	_____
a3. Tier 2 committee chair	_____ (4 pts each)	_____
a4. Tier 2 committee member	_____ (2 pts each)	_____
a5. Other university service (describe below)	_____ (2 pts max)	_____

**(b) College Service**

b1. Tier 1 committee chair	_____ (4 pts each)	_____
b2. Tier 1 committee member	_____ (2 pts each)	_____
b3. Tier 2 committee chair	_____ (1 pt each)	_____
b4. Tier 2 committee member	_____ (0.5 pts each)	_____
b5. Department head	_____ (10 pts)	_____
b6. Other college service	_____ (2 pts max)	_____

**(c) Department Service**

c1. Course coordinator of core classes	_____ (1.5 pts each)	_____
c2. Case competition coach	_____ (1.5 pts each)	_____
c3. Other case competition support	_____ (1 pt each)	_____
c4. Other departmental service (describe below)	_____ (2 pts max)	_____

**(d) External Academic Service**

d1. Refereeing articles or tenure/promotion cases	_____ (1 pt each)	_____
d2. Board/committee of academic association	_____ (1 pt each)	_____
d3. Editor, co-editor, associate editor for academic journal	_____ (5 pts each)	_____
d4. Other external academic service (describe below)	_____ (2 pts max)	_____

**(e) Professional Service\*\***

e1. Board/committee of professional association	_____ (1 pt each)	_____
e2. Professional presentations/speeches/workshops	_____ (0.5 pts each)	_____
e3. Other professional service (describe below)	_____ (2 pts max)	_____

\* Points are applied only to the year in which the grant is awarded.

\*\* Items will be scored only if no substantial financial compensation has been received for them.

**Exhibit 3 (continued)**

**(f) Public service**

f1. Public and community service\* (describe below) \_\_\_\_\_ (2 pts max) \_\_\_\_\_

TOTAL CATEGORY 3 (UNIVERSITY AND PUBLIC SERVICE) = \_\_\_\_\_

TOTAL OF CATEGORIES 1, 2, & 3 = \_\_\_\_\_

*Source: Email attachment sent by the Department Head on behalf of Edwards Executive Committee members on April 7, 2011, to all faculty members in the Department of Human Resources and Organizational Behaviour.*