

## **Department of Economics and Finance**

Merit Pay Proposal, November 12, 2007

### Definitions

N = number of faculty members eligible for merit pay in a given year

Areas = categories across which merit pay is divided (e.g., teaching, scholarship, service and overall).

Groups = categories into which faculty are divided for merit pay allocation purposes.

### Description of the merit pay process:

All full-time faculty in the department will be eligible for merit pay, regardless of tenure or tenure-track status.

Faculty members will not have to apply for merit pay. Data collected within/by the department will be used as the basis for merit pay allocations.

Each year, the merit pay pool will be divided across four areas: Teaching, Scholarship, Service, and Overall.

The departmental merit pay pool will be divided as follows:

Overall: 15.0%

Teaching: 51.0%

Scholarship: 25.5%

Service: 08.5%

{The divisions are determined by 15% to overall and 85% to the remaining areas, where these areas are weighted as Teaching 60%, Scholarship 30%, Service 10%.}

The department chair will create an ordinal rank of faculty members in each area. Rankings will be by expert judgement based on information provided in the annual report, student evaluations of teaching, and other information normally collected/observed by the department chair. The chair will then utilize qualitative information to divide ranked faculty into a number of groups within each area.

The number of groups in each area may vary from year-to-year and will be based on qualitative information that leads to naturally occurring breaks within faculty ranks. The minimum number of groups in a given area will be one, while the maximum may equal the number of faculty eligible for merit pay (N) in that year. Note that the number of faculty members in each group will not necessarily equal N divided by the number of groups.

The amount of merit money assigned to each group will depend on the number of faculty in the particular group as well as the relative ranks of those faculty. Table 1 details the percentage of

the merit pool assigned to each faculty rank based on the number of eligible faculty for the year. The percentage of the merit pool assigned to a particular group will equal the sum of the percentages of the ranks of the faculty assigned into that group. For example, if faculty members ranked 1, 2 and 3 are assigned to Group 1, the percentage of merit for this group will equal to the sum of percentages for rank 1, 2 and 3 from Table 1 based on the appropriate number of eligible faculty. All faculty in a particular group will receive an equal portion of the merit money for that group. Appendix A includes an example scenario based on 13 eligible faculty randomly assigned ranks and divided into groups within each area.

*Evaluation of Teaching:* Information used by the chair will include data from the HCBA-approved student evaluation of teaching form, written student comments regarding teaching, curriculum development activities, and information regarding supervision of student projects.

*Evaluation of Scholarship:* The chair will utilize annual report information regarding publications and presentations at conferences. In general, greater weight will be given to publications in peer-reviewed journals considered high-ranking in the faculty member's discipline. The chair may utilize independent rankings of journals, information in Cabell's Directory of Publishing Opportunities, etc. in determining the quality of publications. Activities that may be considered scholarship but for which the faculty member receives payment will generally receive a lower weight for merit pay consideration.

*Evaluation of Service:* Faculty will self-report university, college, department and professional service via the annual report. The chair may utilize information such as committee workload, relative importance of a committee to the university/college/department, prestige/rigor of professional service, and feedback from committee chairs in determining the ranks of faculty members.

Rankings for the "Overall" area will be determined by a weighted average of the groups to which individual faculty members have been assigned in the Teaching, Scholarship, and Service areas.

*Review/Evaluation of the Merit Pay Plan.* Every three years, the department chair shall provide a written communication to department faculty of his/her perception of the efficacy and fairness of the merit pay plan. At the request of two or more faculty, or if the chair perceives a problem with the current process, the department chair will call a department meeting to discuss perceived issues and (potentially) modify the merit pay process by department vote. At the request of any faculty member, the department chair shall provide a summary of merit pay allocations per faculty by area. This summary shall be disseminated to all faculty members in the department.



## Appendix A. Hypothetical Scenario to Demonstrate Applicability of Process

|                  |
|------------------|
| Total Merit Pool |
| \$ 3,900.00      |
| Eligible Faculty |
| 13               |

Merit Pool by Area:

|             |             |
|-------------|-------------|
| Teaching    | \$ 1,989.00 |
| Scholarship | \$ 994.50   |
| Service     | \$ 331.50   |
| Overall     | \$ 585.00   |

### Merit Pool Areas, Weights, Faculty Ranks and Groupings

| Faculty Member | 51.0%    |       | 25.5%       |       | 8.5%    |       | 15.0%   |       |
|----------------|----------|-------|-------------|-------|---------|-------|---------|-------|
|                | Teaching |       | Scholarship |       | Service |       | Overall |       |
|                | Rank     | Group | Rank        | Group | Rank    | Group | Rank    | Group |
| A              | 7        | 2     | 9           | 3     | 7       | 4     | 8       | 4     |
| B              | 9        | 4     | 7           | 3     | 10      | 4     | 9       | 4     |
| C              | 8        | 3     | 2           | 1     | 8       | 4     | 5       | 3     |
| D              | 2        | 1     | 11          | 4     | 6       | 3     | 6       | 3     |
| E              | 1        | 1     | 4           | 1     | 2       | 2     | 1       | 1     |
| F              | 11       | 4     | 5           | 1     | 5       | 3     | 7       | 4     |
| G              | 5        | 2     | 3           | 1     | 4       | 3     | 2       | 2     |
| H              | 6        | 2     | 12          | 4     | 9       | 4     | 11      | 5     |
| I              | 10       | 4     | 8           | 3     | 13      | 6     | 12      | 6     |
| J              | 4        | 2     | 6           | 2     | 3       | 2     | 3       | 2     |
| K              | 3        | 1     | 1           | 1     | 12      | 5     | 4       | 2     |
| L              | 12       | 5     | 10          | 4     | 11      | 5     | 13      | 7     |
| M              | 13       | 5     | 13          | 5     | 1       | 1     | 10      | 5     |

### Merit Pay Allocations By Group (Based on Number of Groups Assigned)

| Group # | Teaching |             | Scholarship |             | Service  |             | Overall  |             |
|---------|----------|-------------|-------------|-------------|----------|-------------|----------|-------------|
|         | #inGroup | \$allocated | #inGroup    | \$allocated | #inGroup | \$allocated | #inGroup | \$allocated |
| 1       | 3        | \$ 841.50   | 5           | \$ 637.50   | 1        | \$ 51.00    | 1        | \$ 90.00    |
| 2       | 4        | \$ 765.00   | 1           | \$ 89.25    | 2        | \$ 89.25    | 3        | \$ 225.00   |
| 3       | 1        | \$ 127.50   | 3           | \$ 191.25   | 3        | \$ 102.00   | 2        | \$ 112.50   |
| 4       | 3        | \$ 229.50   | 3           | \$ 76.50    | 4        | \$ 76.50    | 3        | \$ 112.50   |
| 5       | 2        | \$ 25.50    | 1           | \$ -        | 2        | \$ 12.75    | 2        | \$ 37.50    |
| 6       |          |             |             |             | 1        | \$ -        | 1        | \$ 7.50     |
| 7       |          |             |             |             |          |             | 1        | \$ -        |

### Merit Pay Allocations by Dollar Amount

| Faculty Member | Teaching  | Schol.    | Service  | Overall  | Total     |
|----------------|-----------|-----------|----------|----------|-----------|
| A              | \$ 191.25 | \$ 63.75  | \$ 19.13 | \$ 37.50 | \$ 311.63 |
| B              | \$ 76.50  | \$ 63.75  | \$ 19.13 | \$ 37.50 | \$ 196.88 |
| C              | \$ 127.50 | \$ 127.50 | \$ 19.13 | \$ 56.25 | \$ 330.38 |
| D              | \$ 280.50 | \$ 25.50  | \$ 34.00 | \$ 56.25 | \$ 396.25 |
| E              | \$ 280.50 | \$ 127.50 | \$ 44.63 | \$ 90.00 | \$ 542.63 |
| F              | \$ 76.50  | \$ 127.50 | \$ 34.00 | \$ 37.50 | \$ 275.50 |
| G              | \$ 191.25 | \$ 127.50 | \$ 34.00 | \$ 75.00 | \$ 427.75 |
| H              | \$ 191.25 | \$ 25.50  | \$ 19.13 | \$ 18.75 | \$ 254.63 |
| I              | \$ 76.50  | \$ 63.75  | \$ -     | \$ 7.50  | \$ 147.75 |
| J              | \$ 191.25 | \$ 89.25  | \$ 44.63 | \$ 75.00 | \$ 400.13 |
| K              | \$ 280.50 | \$ 127.50 | \$ 6.38  | \$ 75.00 | \$ 489.38 |
| L              | \$ 12.75  | \$ 25.50  | \$ 6.38  | \$ -     | \$ 44.63  |
| M              | \$ 12.75  | \$ -      | \$ 51.00 | \$ 18.75 | \$ 82.50  |