

University of North Carolina at Chapel Hill
School of Nursing

Salary Policies: Initial Determination of Salary,
Market Salary Increases and Merit Awards

Benchmark Nursing Faculty Salaries

School of Nursing salary goals are derived from benchmarks with peer schools of nursing. The American Association of Colleges of Nursing (AACN) publishes an annual report on faculty salaries based on a yearly survey of all schools of nursing with baccalaureate and higher degree programs. Faculty salary data is reported for regions of the country and types of institution, and by faculty rank, credentials, and tenure vs. fixed term track status.

Among the AACN categories, we use, when available, data that is segmented for Research I public universities and schools of nursing with doctoral programs. In these categories, we use the 75th percentile as the benchmark salary for tenure track faculty. Salary data for fixed term faculty are not included in those classifications; thus, salaries reported at the 75th percentile in a general classification, "All Schools," is the benchmark salary for fixed term faculty.

Benchmark salaries are described at three levels (beginning, mid/majority and exceptional) to establish a range by rank, track, and degree status. The mid/majority salary level is the 75th percentile salary reported by AACN as described above. The beginning salary level is computed at 10% below and the exceptional salary level is computed at 10% above the 75th percentile salary reported by AACN.

Periodically, other markets are surveyed for comparison with faculty salaries and AACN benchmark salaries. Other markets may include the University (Academic Affairs and Health Affairs), other universities considered peer institutions by UNC-Chapel Hill, and the clinical and administrative salaries for equivalently prepared nurses in non-university settings

It is important to note that benchmark salaries are targets or salary levels the School aspires for its faculty. The extent to which actual salaries reach benchmark salaries is dependent on the amount of salary increase funds appropriated by the legislature each year. However, over time, the goal is to bring faculty salaries to benchmark levels. Benchmark salaries are used to determine salary offers for new faculty and annual market increases and merit awards (including promotions in rank) for current faculty.

Salary Offers to New Faculty

New salary offers are based on consideration of multiple factors: individual qualifications, including educational preparation, years and type of experience, and cumulative record of productivity and accomplishment in the areas of teaching, research and service relative to rank, appointment type and/or position; and market factors which include scarcity of needed specialty, minority status and prevailing salary scales. Based on the above factors and rank at initial appointment, the dean, assistant dean for administrative services, and the division chair identify the salary offer. If current faculty salaries in a given rank are at benchmark levels, then a new faculty member being appointed to the same rank is offered a benchmark salary at the appropriate range for that rank. If current faculty salaries in a given rank fall short of benchmark salaries, then a new faculty member being appointed to the same rank is offered a salary comparable to current faculty salaries.

The latter approach is taken to minimize the phenomenon of salary compression. Salary compression occurs when new faculty are hired at higher salaries than current faculty, given equivalent qualifications

and records of accomplishment. There are, however, instances when it is necessary to bring in new faculty at salary levels higher than those of current faculty. Whenever this occurs, market salary increases (as described below) are given high priority in the following years in order to reduce the disparity in salaries between newly hired and longer-term faculty with equivalent qualifications and records of accomplishment.

Annual Salary Increases for Faculty

Merit Awards

Faculty members are reviewed annually for merit awards according to the "Guidelines for Annual Faculty Evaluation." Faculty members submit up-dated curriculum vitae, other supporting materials and a self-assessment to division heads, who review the materials submitted and make a recommendation for non-meritorious, meritorious and exceptionally meritorious awards. Factors considered in evaluations include teaching evaluations, peer review of teaching, research, grant awards, and other scholarly productivity, and service to the school, university, profession, and lay communities. For faculty with practice contracts, evaluations from their practice setting supervisors are considered as well. The division heads' recommendations regarding merit level are discussed with faculty members during face-to-face annual performance reviews.

Upon completion of all annual performance reviews, division heads meet with the dean to discuss merit award recommendations for all faculty members to assure consistency across departments in the recommendation for merit salary increases. Final decisions about merit level are made at this time and, if the merit level is changed from the division head's initial recommendation, this decision is communicated to the faculty member.

Market Increases

Market salary increases are awarded to bring faculty salaries to or closer to benchmark salaries and to minimize salary compression. Each faculty member is assessed annually to determine the need for a market salary increase. For each faculty member, the following question is asked: "if we were hiring this faculty member today, given the person's cumulative record of performance and other market factors, would we hire this faculty at the beginning, mid/majority or exceptional benchmark salary level for his or her rank and degree status?"

The benchmark salary and level rating (beginning, mid/majority and exceptional) is then compared to each faculty member's current salary. If a faculty member's current salary falls below the benchmark but their cumulative performance assessment rating was for a beginning, mid/majority or exceptional benchmark salary level, a recommendation for a market salary increase is made. Thus, each faculty member's actual salary is compared annually to the School's benchmark salaries and, based on the faculty member's cumulative performance assessment, a market salary increase is recommended when realignment is needed. Determinations in favor of market adjustments are also made in the annual meeting of division heads with the dean.

Distribution of Market Salary Increase and Merit Award Funds

Funds appropriated by the legislature for salary increases are rarely sufficient to make all deserved market increases and merit awards. The policy of the faculty is that there should, at a minimum, be a \$500 differential among levels of merit award. Beyond that consideration, the funds available are allocated for both market increases and merit awards. Because sustained productivity and accomplishment are markers of leading universities, priority of remaining funds is given to market increases. The dean makes the final decision about how money will be allotted to market and merit

adjustments and communicates the amounts of salary increases in merit and market categories to individual faculty members by letter, once approval to release the information is obtained from the university.

Faculty members may express concern regarding the level of salary increase with division heads and/or with the dean directly. An elected Faculty Salary Policy Committee, chaired by the Faculty Chair, is available to faculty members who believe the above processes were not applied fairly in determination of their raises.

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