Our broken salary system
Bargaining Bulletin - 2014-12-13

Our current salary system is broken in several ways.

(a) **Our salaries are not longer comparable to sister institutions.** There have been many bargaining bulletins in past years showing how badly our average salaries have compared over time to sister institutions. A summary of this information is available at [http://www.stat.sfu.ca/~cschwarz/SFUFA](http://www.stat.sfu.ca/~cschwarz/SFUFA). The average salary at the Full Prof level at SFU was BELOW the Canadian average in 2010-11 and our relative position has declined since then and will decline further under government restrictions on across the board increases.

(b) **Our scales are inadequate when hiring and retaining members in many disciplines.** Bargaining Bulletin 2014-03-27, available on the above web-site, showed that 44% of members currently receive some sort of salary supplement (market differential, retention award, etc.). Because market differentials are rolled into base salary upon promotion to Senior Lecturer or Professor, many members of these ranks formally don’t have market differentials, but they still enjoy the benefit of the increased salary. Consequently, the observed proportion of 44% is an underestimate of the actual number of people paid off our nominal salary grid.

Every year the Vice President Academic prepares the Faculty Renewal Report. About 50 new members are hired/year. Salary supplements were forecasted for all faculties except Education and Environment, and proposed salary supplements formed almost 20% of the total proposed salaries of ALL hires indicating that our base salaries are, on average, too low to attract candidates.

(c) **Our members hit our ceilings very early in our careers and cannot progress further regardless of performance.** Bargaining Bulletin 2012-02-17 showed that about 1/3 of our members are at the hard ceiling with no possible movement available. Because our salary scales overlap considerably between ranks, members who get promoted find they only have a few more steps before hitting the ceiling of the next rank.

In our last negotiations, SFUFA proposed a remap that would have increased ceilings for everyone – the Administration was not interested in this change and we lost in arbitration. We did gain a few, small steps, at the top of two ranks, but this was just a temporary fix. Many other institutions across Canada do not have salary ceiling or have salary ceilings well above ours (see Table 7 of our Arbitration Submission at the above link).

(d) **Within and across department differences in salary are growing.** Market differentials and retention awards tend to be concentrated in certain disciplines. Because new hires receive salary differential there are many cases of salary compression and inversion within departments. There may be equity issues in awarding of salaries, in times to promotion, and in other salary areas.

(e) **Average increment size is small relative to other institution.** While on paper the size of our increments look reasonable, the fact is that because many of our members are at ceiling, or in merit-only areas, or are well above the nominal floor of a rank when promoted, the average change in salaries from progress-through-the-ranks is well below that of other institutions. For example UBC allocates 2.5% per year to progress-through-the-ranks; our average increase is on the order of 1.5% or less/year.
What type of salary system do we want?

There are a number of attributes of a salary system – what do we want to see in our salary system?

(a) **Scales grid vs. no grid.** A traditional salary scale has well defined minimum, maximum, and steps. Under many scale systems, initial placement in a rank depends primarily on experience. For example, at SFU a new Assistant Professor with 3 years of post-doctoral experience would be placed at step 4 in our system. At UBC, there is a step system but no salary grid; initial salary is determined by negotiations between the faculty members and the University, after which all members earn all steps and bargained increases.

(b) **Salary ceilings.** There is a wide range of practices across Canada. Some grid systems have a solid ceiling that cannot be pierced. Some grid systems have no explicit maximum salary for the highest rank (e.g. Professor for research faculty). Some grid systems have an implicit maximum because the total number of steps that can be earned in a rank is limited (e.g. all Associate Professors can earn a maximum total of 15 steps in that rank). Finally, some systems have no ceilings either implicitly or explicitly.

(c) **Market differentials.** A few, primarily undergraduate institutions, prohibit the use of market differentials to attract faculty in certain disciplines. Most institutions across Canada allow for some form of market differentials to attract and retain faculty in some disciplines. Both permanent additions to salary and temporary additions to the salary are used.

(d) **Career progress increments.** These are regular (mostly annual) increases in salary that are awarded unless there is evidence of unsatisfactory progress. Some institutions merge these with merit increases (see below); some institutions have no merit increases, and career progress increments are the only form (other than promotion) to move through the salary system. Career progress increments are often larger (percentage-wise and/or dollar-wise) for faculty members near the bottom of the scale.

(e) **Merit increases.** These are not automatically awarded and usually only a fraction of members (typically 50% or less) of members receive such awards in any year. If merit increases are in effect, the size of the merit increase can vary within a narrow range. The size of the increment is typically fixed regardless of where the member is on the scale.

(f) **Promotions.** At certain points in our careers, members are promoted using clear criteria. Promotion should be accompanying by an increase in salary. In some agreements these are fixed; in others they can vary according to circumstance.

(g) **Anomalies.** Anomalies do creep in to any system, e.g. salary compression where new hires are paid substantially more than long-serving members. There should be a mechanism to correct such anomalies.
Comparing salary systems in BC

The following is a brief summary of the salary systems at some of our sister universities in BC. This chart may quickly become out-dated because all institutions except UBC are in the process of negotiating a first collective agreement and so the salary provisions may change. All agreements are complex – any errors in interpretation are mine. The respective collective agreements should be consulted for definitive explanations.

<table>
<thead>
<tr>
<th>SFU</th>
<th>UBC</th>
<th>UVic</th>
<th>UNBC</th>
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<tbody>
<tr>
<td><strong>Initial salary</strong></td>
<td>Position authorized at typical level e.g. Assistant Professor 4. Individual negotiations with faculty members for market differentials, which are kept separate from base salary until promotion to final rank.</td>
<td>Individual negotiations between faculty member and University. No minimum or maximum salary. Any market differential is automatically part of base salary.</td>
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<tr>
<td><strong>Market differentials at time of hiring</strong></td>
<td>Yes. Explicitly set apart from base salary.</td>
<td>Yes/ No. No formal market differential because there is no set starting salary or grid. Salaries simply vary.</td>
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<tr>
<td><strong>Market differentials post-hiring / retention awards.</strong></td>
<td>Yes, but awarded for limited-term periods (e.g. 5-year terms).</td>
<td>Yes. Rolled into salary.</td>
<td>Yes. Not rolled into salary. Can be temporary or permanent.</td>
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<td><strong>Salary scale</strong></td>
<td>Yes.</td>
<td>No.</td>
<td>No.</td>
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<tr>
<td><strong>Career Progress Increments</strong></td>
<td>Combined with merit increases. Members receives 0, .5, 1, 1.5, or 2.5 steps but average must be 1.3 in each unit. Essentially ½ of members receive 1.0 steps and ½ of members receive 1.5 steps. Librarians have fixed 1 step increment each year. There are two step sizes with smaller increments near the top of scale. There is a career progress ceiling where movement only occurs if 1.5 or 2.0 award is made.</td>
<td>Increments automatically received unless unsatisfactory progress is determined. Members have maximum number of CPI that can be received in each rank. Members receive larger increments early in rank.</td>
<td>Members automatically receive one increment unless unsatisfactory progress is determined. Maximum number of CPI steps that are automatically awarded. Additional step to members also receives merit increases. Size of steps is same for all members regardless of where on scale.</td>
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<tr>
<td><strong>Merit Increments</strong></td>
<td>Members apply for merit awards. Fixed total dollar amount for merit. A Performance Salary Adjustment component to address inequities arising from merit.</td>
<td>Complicated rules limiting total number of merit steps to approximately 60% of members.</td>
<td>No</td>
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Can our salary system be repaired?

We are well beyond where minor tinkering of our salary system will fix the problems. Across the board increases are severely constrained by government interference in the bargaining process. A salary remap (where scales are shifted upwards to increase ceilings) has been proposed in the past but there appears to be no appetite on the part of the Administration for this. Market differentials and retention awards have become extremely pervasive. Furthermore, the process by which they are awarded is very opaque.

What are the some of the principles that will guide our proposal for a new salary system?

**Equity issues.** One of our top priorities is to ensure that we pay particular attention to salaries at the lower end, and identify ways to get additional increases for our lowest-paid members. There are a range of options to achieve this, from adjustments to the scale, flat-dollar-value increases and so on. As to gender equity, the Administration, Academic Women and SFUFA have set up a joint committee to investigate gender-based equity issues in our salary system and to make recommendations. This committee is patterned after a similar committee that undertook a similar task at UBC which resulted in some changes in salary. Some members were rather surprised to learn that equity issues are NOT part of the current round of bargaining. The rationale for this is that that equity is a human rights issue and must be respected regardless of negotiations between SFUFA and the Administration. That is, human rights legislation requires the University to correct inequities based on prohibited grounds such as gender, and should not be costed against bargained increases.

**Simplification of step system.** Very few other universities have as complicated system as we do with large-step, mini-step, break-points, career-progress-ceilings, merit-only steps, etc. We think it worthwhile considering a simpler system that is easy to understand and easy to implement.

**More available steps in each rank.** Our current system’s scales have considerable overlap. Consequently, when a member gets promoted, they often find themselves near the top of the next rank’s scale with only a few steps to move. This is a widespread problem, and was identified as a top priority among members.

**Comparable ceilings with sister institutions.** Our current salary ceiling are very low relative to our sister institutions (see our Arbitration Brief via the earlier link). Many places do not have ceilings at all for members who are performing well.

**Rationalization of salary supplement system.** The current system of market differentials and retention awards is very opaque and may be inequitable. Salary supplements have become the norm across Canada. We need to make the system less arbitrary, more equitable, and more transparent.

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1 http://www.facultyassociation.ubc.ca/currentissues.php?tag=pay+equity
Over the next few weeks, SFUFA will be considering developing a proposal for changes to the salary system. These proposals will be discussed in depth with the Executive and the membership. Please send comments to the Bargaining Team (c/o Carl Schwarz cschwarz@stat.sfu.ca) or to the SFUFA Executive (c/o Julian Christians, SFUFA President, jkchrist@sfu.ca)