

Title/Subject: **COMPENSATION PHILOSOPHY**

Applies to:  faculty  staff  students  student employees  visitors  contractors

Effective Date of This Revision: July 1, 2006

Contact for More Information: Human Resources, Faculty Personnel Services

Board Policy  Administrative Policy  Procedure  Guideline

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**POLICY:**

CMU is committed to offering a total compensation package that attracts, retains and motivates a high quality and diverse workforce. The University's compensation program will meet all legal and contractual requirements.

**DEFINITIONS:**

Benchmark Positions: Positions which generally have the same skill, effort and responsibility and are commonly found at other institutions or in published surveys.

Local Market: The local market includes employers within a sixty mile radius of the Mt. Pleasant campus.

Peer Institutions: Comparable Institutions used by Institutional Research for consistent comparison purposes.

**BACKGROUND:**

For Staff positions, CMU maintains a classification/compensation program which allocates positions to employee groups and pay levels based on required skill, effort and responsibility. This classification program also includes developing salary structures and ranges and establishing parameters for determining starting salary and any increases. Human Resources (HR) is responsible for analyzing competitive market data on benchmark positions and making recommendations to the President to assure that salaries and benefit levels competitive.

There are four ranks for Faculty positions: Professor, Associate Professor, Assistant Professor and Instructor. Regardless of academic discipline, minimum salaries have been established for each rank. Competitive market data, by rank and discipline, are used to determine appropriate compensation levels for these positions. Faculty Personnel Services (FPS) establishes salary ranges based on market data and comparative internal salaries and provides these ranges to each unit director. Annual increases and promotional increments are established through periodic negotiations with the faculty.

CMU's compensation philosophy recognizes that, as a public institution, the University depends, in large measure, on funding allocations from the State of Michigan. The University's approach to total compensation must necessarily take this state funding factor into account. CMU also receives funds from sources other than the State of Michigan, namely tuition, grants and contracts. The source of funds for a particular position (i.e. grant, non-general fund) will not determine rates of pay for the employees.

**Starting Salaries/Wages:**

Starting salaries/wages for most employees are based on the pay level of the position, the qualifications of the individual, and the external and internal market. In some cases starting salaries/wages are established by union contract. Salaries/wages are

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not based on age, color, disability, gender, familial status, height, marital status, national origin, political persuasion, race, religion, sexual orientation, veteran status or weight.

**Market:**

The market area used for competitive evaluation varies by employee group and is generally based on the area where the University recruits to fill positions within that employee groups. While the majority of our market comparisons are higher education related, non-higher education comparisons may be made for some staff positions. Market data may be refined by using selective cuts of data, which allow comparison with institutions of a similar size, budget level or Carnegie classification. In addition, the data may be supplemented by published discipline-specific market data as appropriate. The following market comparisons are generally used:

<b>Employee Group</b>	<b>Market Areas</b>
Broadcast	Michigan, Other Comparable Public Broadcasting Stations
Faculty	National, Peer Institutions and Michigan Universities of Comparable Carnegie Classification
Office Professional	Local (higher education and non-higher education institutions)
Police	Michigan and Other Local Law Enforcement Entities
Professional & Administrative	National, Peer Institutions, Michigan Universities of Comparable Carnegie Classification, Salary Assessor for non-higher education comparisons, and Local Market for lower P&A pay levels.
Senior Officers	National, Peer Institutions and Michigan Universities of Comparable Carnegie Classification
Service Maintenance	Local (higher education and non-higher education institutions)
Supervisory Technical	Michigan and Local (higher education and non-higher education institutions)
Temporary Faculty	Discipline-specific survey data for full-time faculty and established credit-hour rates for part-time faculty

**Procedure:**

At least every three years and more frequently where deemed appropriate, HR or FPS will review market competitiveness for salary and make recommendations on an annual adjustment package consistent with the goals of the University and this philosophy statement. Benefit comparisons are conducted by HR on an on-going basis; approved recommendations are incorporated into the annual adjustment process.

Recognizing fiscal priorities and our collective bargaining environment, it may not be possible to reach all of these goals for every group, every year; but the university will attempt to apply this policy as consistently as possible across all employee groups.

Recommendations are taken to the Board of Trustees for their approval. Following Board approval, negotiations are conducted with our collectively bargained groups and other adjustments are communicated to our non-union employee groups.

*Central Michigan University reserves the right to make exceptions to, modify or eliminate this policy.  
This document supersedes all previous policies, procedures and directives relative to this subject.  
Please refer questions or concerns to the Originating Department.*