

Title/Subject: **COMPENSATION PHILOSOPHY**

Applies to:  faculty  staff  students  student employees  visitors  contractors

Effective Date of This Revision: January 2016

Contact for More Information: Human Resources, Faculty Personnel Services

Board Policy  Administrative Policy  Procedure  Guideline

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## **BACKGROUND:**

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. This policy is not applicable to Medical Faculty salary but is applicable to Medical Faculty benefits. The salary program for Medical Faculty is documented in a separate policy (CMU Medical Faculty Salary Program):

[https://www.cmich.edu/office\\_provost/academic\\_administration/FPS/Pages/CMED-Faculty-Employment-and-Personnel-Considerations.aspx](https://www.cmich.edu/office_provost/academic_administration/FPS/Pages/CMED-Faculty-Employment-and-Personnel-Considerations.aspx)

Pay practices are also outlined in the Additional Compensation policy:

[https://www.cmich.edu/office\\_president/general\\_counsel/Documents/p04022.pdf](https://www.cmich.edu/office_president/general_counsel/Documents/p04022.pdf)

## **DEFINITIONS:**

**Benchmark Positions:** Positions which generally have similar skills, duties, and responsibilities 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 as defined and identified by Institutional Research for consistent comparison purposes.

## **POLICY:**

The compensation philosophy provides CMU with a means for administering the salaries of its employees in a manner that is internally equitable and externally competitive. Positions are assigned to employee groups and classified based on required skills, duties and responsibilities. This approach also includes developing and maintaining salary structures and establishing parameters for determining starting wage/salary and any wage/salary adjustments.

Salaries/wages are not based on age, color, disability, gender, gender identity/gender expression, genetic information, familial status, height, marital status, national origin, political persuasion, race, religion, sex, sexual orientation, veteran status or weight. As required by Executive Order 11246, as amended, CMU will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the university, or (c) consistent with the university's legal duty to furnish information.

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Authority: G. Ross, President

History: Standard Practice Guide 07-01-02; 07-01-2006

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Staff positions: Human Resources (HR) is responsible for administration and maintenance of CMU staff compensation and serves as the management authority for staff salary administration issues. Managers and supervisors are responsible for day-to-day implementation and communication of wages/salaries, with assistance provided by Human Resources as necessary.

Faculty positions: Faculty Personnel Services (FPS) establishes salary ranges based on market data and comparative internal salaries and provides these ranges to each unit director/dean. Annual increases and promotional increments are established through periodic negotiations with the tenure/tenure-track and teaching faculty. There are four ranks for Regular Faculty positions: Professor, Associate Professor, Assistant Professor and Instructor. Teaching faculty are appointed as Lecturers. 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.

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

#### **New Employee Salaries/Wages:**

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

#### **External Market:**

The external 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 group. While the majority of 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 subsets of data, which allow comparison with institutions of a similar size, budget level or Carnegie classification, for example. 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, national Public Broadcasting market
Faculty	National, Peer Institutions and Michigan Universities of Comparable Carnegie Classification
Office Professional	Local (higher education and non-higher education institutions)
Police & Sergeants	Michigan and Other Local Law Enforcement Entities
Professional & Administrative	National, Peer Institutions, Regional (MAC conference), and Michigan Universities. Local Market for some P&A positions.
Senior Officers	National, Peer Institutions, Regional (MAC conference), and Michigan Universities
Service Maintenance	Local (higher education and non-higher education institutions)
Supervisory Technical	Michigan and Local (higher education and non-higher education institutions)
Fixed-Term Faculty	Discipline-specific survey data for full-time faculty and established credit-hour rates for part-time faculty
Postdoctoral Research Fellows	Discipline-specific survey data for full-time research faculty and postdocs

#### **Annual Compensation Adjustment Procedure:**

HR/FPS will periodically review market competitiveness and recommend an 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. Compensation recommendations are taken to the

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Board of Trustees for approval. Following Board approval, negotiations are conducted with collectively bargained groups and other adjustments are communicated to non-union employee groups. Recognizing fiscal priorities and the collective bargaining environment, it may not be possible to reach all goals for every group, every year.

**Benefits:**

CMU designs and delivers an array of benefits to provide eligible employees with health, retirement and other work-related benefits based on the belief that a healthy and secure faculty and staff are best able to contribute to the accomplishment of the University's mission and vision. Employees are expected to be informed about their benefits, to make benefits choices wisely, and to understand and accept the implications of their choices.

- CMU strives to offer benefits competitive with those offered by similar employers.
- Benefits are paid by a combination of employee and University contributions, in a way that supports mutual fiscal responsibility. When legally and fiscally prudent, the University will design benefits that enable employees to take advantage of tax-related savings.
- CMU will provide information to help employees make educated decisions about their benefits.
- CMU is committed to providing healthcare and retirement support, the costs for which should be shared between the University and the employee. The University may also offer benefits, such as vision or short term disability coverage, when it is able to leverage the size of the university's employee population to provide savings for employees. The employee will contribute the full cost for voluntary participation in these supplemental benefit programs.

Market considerations, fiscal prudence, or regulatory demands may cause the University to change its compensation or benefits practices.

*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.*