university of saskatchewan faculty association

BARGAINING UPDATE

February 2012

The Next Round of Negotiations: Making the Case for Compensation What do you deserve?

When faculty members at Universities are asked about their perspectives on the role of faculty unions at Universities their responses are wide and varied but a common theme that emerges is that the negotiation of salaries and benefits is held to be a critical role. Yet, information and knowledge by faculty members regarding their relative positioning with respect to salaries and benefits is surprisingly scarce or absent. Being a relatively privileged sector of worker with salaries that seem high appears sufficient for most faculty members to remain uninformed about such things as comparators for salary, standard of living comparators, and career earnings forecasting. What seems to matter most to many is how much of an increase they received in the last settlement. The purpose of this paper is to inform faculty members at the University of Saskatchewan about their salaries and convince you that it is important to be informed!

Despite significant increases in faculty salaries at the University of Saskatchewan over the last two rounds of bargaining, they continue to fall short of the competitive targets announced by the University in 2007. Most faculty members may recall that the Employer and the USFA were embroiled in a very difficult round of negotiations at that time, and communications sent to USFA members from Human Resources appealed to our good judgement based on the introduction of their lead-payer compensation strategy. What follows is a summary of the lead-payer approach, an evaluation of faculty salaries since that time, and a proposal for a salary mandate for the upcoming round of negotiations.

Lead-payer Compensation Strategy

Like most other Universities in Canada, our Employer has adopted a compensation strategy based on a comparison group of similar Universities across the country. Seven universities were identified as comparators (i.e., Dalhousie University, University of Guelph, McMaster University, University of Western Ontario, University of Manitoba, University of Alberta, and University of Calgary), and the Employer set a compensation target based on those comparators. "The benchmark universities have been selected based on comparative size, research intensiveness and similarity of programs. All of the benchmarks except one are medical-doctoral universities.... As a competitive goal, the University supports a lead-payer strategy for academic staff which involves ***ensuring*** [emphasis added] that the average salary for each rank at the University of Saskatchewan is matched and sustained over time with the 75th percentile of average salaries for each rank at benchmark universities....To adjust our current salary scales to the market and adopt a lead-payer compensation strategy, while separating decisions about progress through the ranks, ***salary grid reform and redesign is necessary*** [emphasis added]" (U of S Human Resources, Faculty Bargaining Update, February 7, 2007).

It is important to emphasize that the lead-payer compensation strategy was communicated directly to USFA members by the Employer to convince members that the Employer's approach to compensation was reasonable and, in part, to discredit the approach of the USFA bargaining team. At face value the lead-payer compensation strategy seemed very reasonable and the Employer was successful at eroding support for the USFA bargaining team at that time.

In addition to the above point, it was clear that the salary structure for faculty at that time was problematic for recruitment. While full professor salaries were at or above the 75th percentile of comparators in 2004/05, assistant and associate professor salaries fell significantly below the 75th percentile. As the Employer stated: "It is important for the University to reinforce that our full Professors are currently paid in the top quartile of the market and that this offer focuses on ***maintaining that lead payer strategy*** [emphasis added]" (U of S Human Resources, Faculty Bargaining Update, March 2, 2007). In other words, the compensation strategy was a commitment to raise the salaries of assistant and associate professor while maintaining full professor salaries at the 75th percentile.

To summarize, the Employer appealed to faculty members to support their lead-payer compensation approach, and by accepting the settlements for 2005/06 through 2008/09, we did so. "This proposal is designed to ensure that we have a long term competitive compensation strategy by comparing average salaries of our academic staff to the 75th percentile of average salaries for our benchmark universities in Canada. This comparison is made for the total compensation package, including salaries and benefits. This is a lead-payer strategy" (U of S Human Resources, Faculty Bargaining Update, February 7, 2007). Likewise, the Employer continued to promote their position with respect to the most recent settlement. "This Collective Agreement includes significant reform to the special increase (merit) process, general salary increases, and redesigned recruitment and appointment processes. These changes reflect the university's strategic priority to attract and retain outstanding faculty and to ensure we are positioned competitively among our peer institutions. (U of S Human Resources, Collective Bargaining Update, March, 2011)

<u>Success of the Lead-payer Strategy</u>

Through the words of the Employer, the lead payer compensation strategy was implemented "to ensure the average salary (including merit) for each academic rank is sustained at the 75th percentile of salaries at comparable research-intensive universities" (U of S Human Resources, Collective Bargaining Update, January 3, 2007).

Figure 1: U of S mean salary by rank versus percentile of Comparators (03/04 - 10/11)

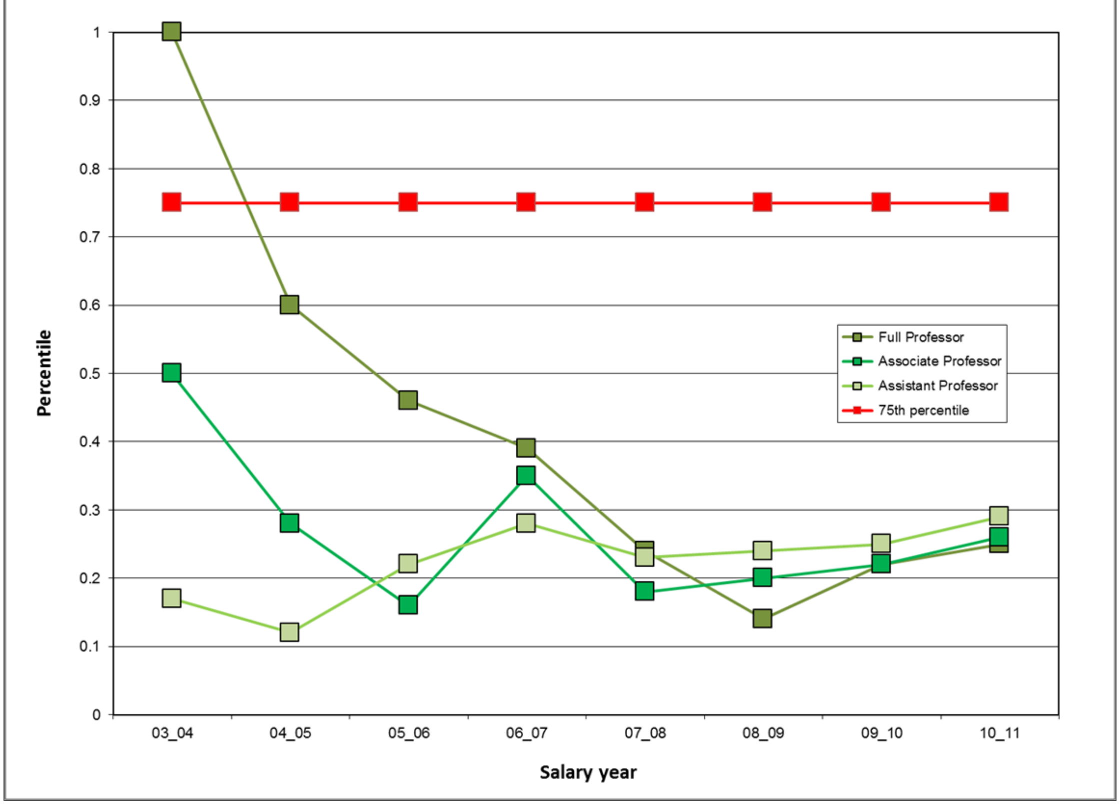
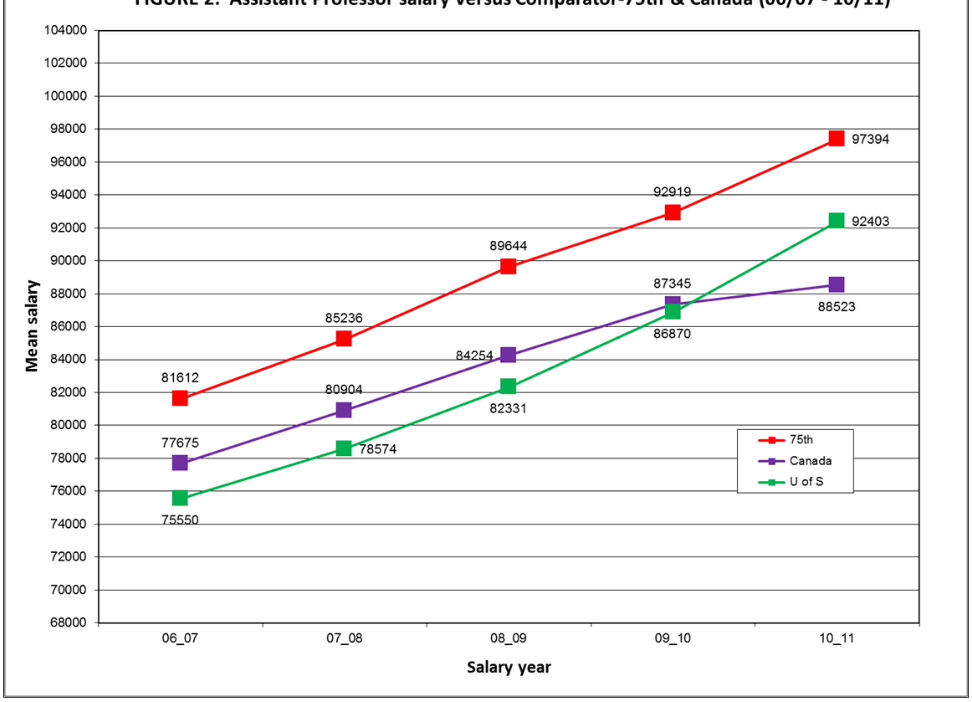


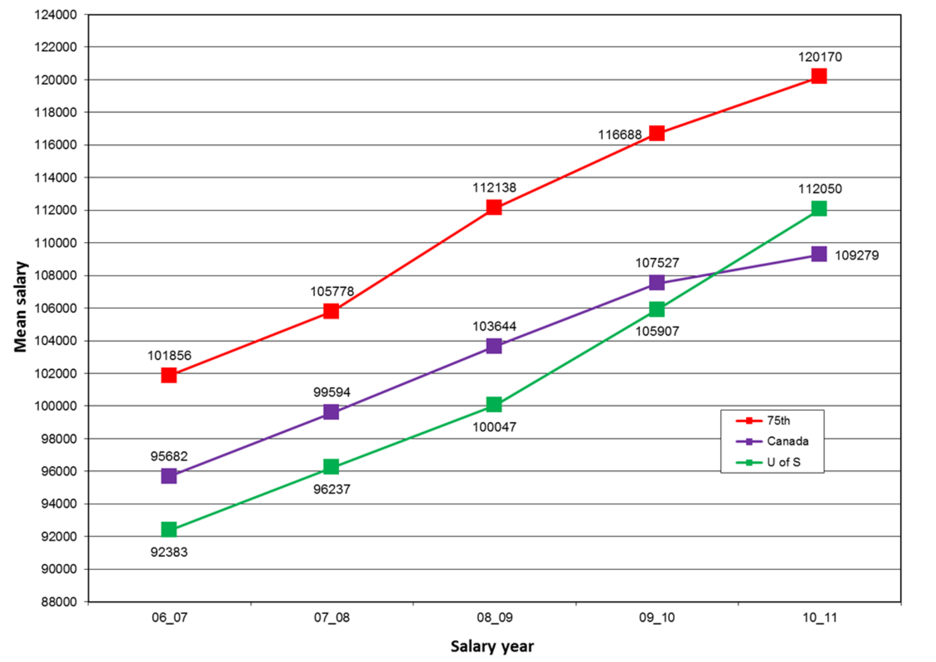
Figure 1 presents the data for U of S faculty salaries by rank converted to percentile of comparator salaries from 2003/04 through 2010/2011 (the most recent year with data). In 2003/2004, full professor mean salary was highest amongst comparators, associate professor mean salary was at the median of comparators, and assistant professor mean salary was positioned at the 17th percentile. By 2008/09 (the final year of the lead-payer compensation strategy package), full professor and associate professor mean salaries had plummeted to the 14th and 20th percentiles, respectively, while assistant professor mean salary made marginal gains to the 24th percentile. Clearly, the grid reform and monetary settlements from the 2005/06 through 2008/09 settlements achieved exactly the opposite to what the Employer promised! Instead of seeing assistant and associate professor salaries increase to meet full professor salaries at the 75th percentile, we saw full and associate professor salaries decease to meet assistant professor salaries in the bottom quartile. Based on the communications provided to our members by the Employer, this outcome was absolutely unacceptable.

FIGURE 2: Assistant Professor salary versus Comparator-75th & Canada (06/07 - 10/11)



Since 2008/09, the USFA and Employer have settled two contracts extending to June 30, 2013. Over 4 years, salary scale increases have been negotiated at 5.25%. 4.5%, 4.0% and 4.0%, respectively. As can be noted from Figure 1, the 2009/10 and 2010/11 increases of 5.25 % and 4.5% resulted in only marginal salary gains relative to our comparators (for 2010/11 full professor = 25th percentile, associate professor = 26th

FIGURE 3: U of S Associate Professor versus Comparator-75th & Canada (06/07 - 10/11)



percentile, and assistant professor = 29th percentile). With 4.0% increases in 2011/12 and 2012/13, there is some reason for optimism as comparator increases are not as high, and we can expect the relative position of U of S salaries to improve. However, even our best estimates do not place U of S salaries beyond the 50th percentile.

A Closer Look at U of S Faculty Salaries by Rank

Figure 2 presents U of S assistant professor mean salaries from 2006/07 through 2010/11. Since 2008/09, there have been minor gains in mean salary relative to the 75th percentile of comparators, and in 2010/11 for the first time, U of S assistant professor mean salary exceeded Canada-wide assistant professor mean salary. Nevertheless, the gap between U of S salaries and the 75th percentile of comparators is $4,992 or 5.4% of salary.

Figure 3 presents U of S associate professor mean salaries from 2006/07 through 2010/11. Compared to assistant professors, associate professor mean salary gains relative to the 75th percentile are less pronounced, but similar gains on Canada-wide mean salary in 2010/11 were observed. The gap between U of S associate professor mean salary and the 75th percentile of comparators is $8,120 or 7.25% of salary.

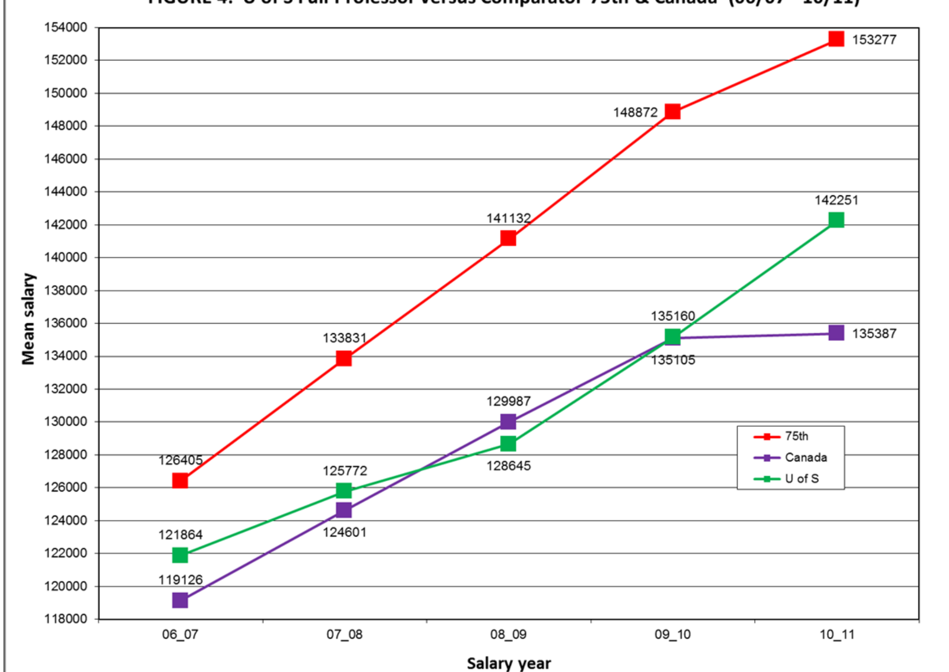
Figure 4 presents U of S full professor mean salaries from 2006/07 through 2010/11. Full professor salaries exhibit the largest absolute mean salary difference from the 75th percentile of comparators.

Compared to the increase seen for the 75th percentile salary in 2009/10, full professor mean salary actually lost ground. But, in 2010/11, U of S full professor mean salary did show a larger increase than the 75th percentile of comparators. Like assistant and associate professors, full professor mean salary exceeded Canada-wide University mean salary in 2010/11. Still, the gap between U of S full professor mean salary and the 75th percentile of comparators is a whopping $11,026 or 7.75% of salary.

Putting U of S Salaries in Perspective

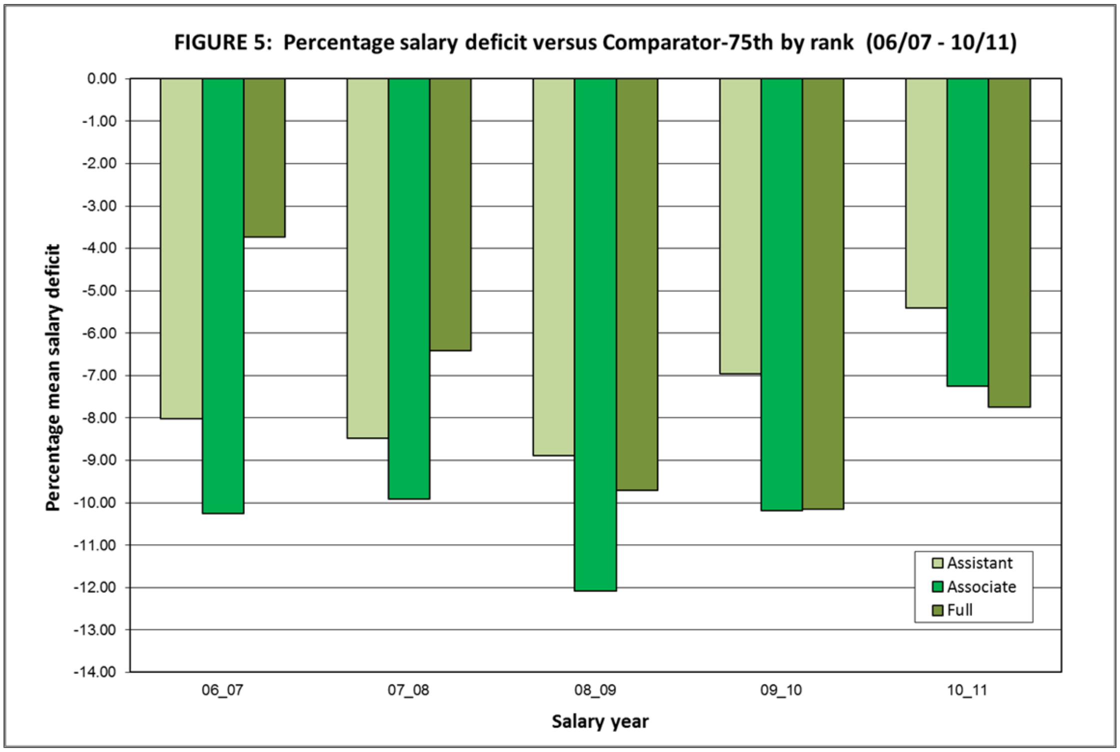
Figure 5 presents the percentage mean salary deficit of U of S faculty salaries by rank when compared to the 75th percentile target of comparators from 2006/07 through 2010/11. For assistant professors, mean salaries were below the 75th percentile by 8% to 9% in the first 3 years, but they have improved to minus 7% and minus 5.6% in 2009/10 and 2010/11, respectively. Associate professor mean salaries are in the worse shape, with deficits of between 9.9% and 12.1 % for the first 4 years, and some improvement to minus 7.25% in 2010/11. Finally, full professors saw the gap be-

FIGURE 4: U of S Full Professor versus Comparator-75th & Canada (06/07 - 10/11)



tween their mean salaries and the 75th percentile gradually widen from 3.7% to 10.2% over the first four years, with a slight improvement to minus 7.75% in 2010/11.

To bring the magnitude of these differences in perspective, Figure 6 presents cumulative salary loss by rank over the last 5 years. Relative to the 75th percentile of comparators, which was the commitment of the Employer, each assistant professor has been short-changed $30,000, while each associate and full professor has been short-changed $50,000.



Mandate for the Upcoming Round of Bargaining

To prevent continuing loss of promised compensation, now is the time for action!

The Negotiations Team is seeking a strong and clear mandate from members with respect to salary and benefits for the upcoming round of negotiations. Simply said, we want the Employer, at a minimum, to honour their commitment to their lead-payer compensation strategy immediately! This will involve support by the membership with respect to three main components of improvement to salaries and benefits.

1) Effective July 1, 2013, faculty salaries at each rank will be increased to meet or exceed the 75th percentile of comparator institutions based on estimates of current and future U of S and comparator salaries.

2) Salary grids and scale increases will be differentially adjusted so that the salaries for individual ranks correspond to comparators. In effect, associate and full professor salaries will show greater relative increases for the next round of bargaining to align with comparators.

3) Benefits will be adjusted to reflect an overall package corresponding to the 75th percentile of comparators.