

**Report of the Task Force to Review
Faculty Compensation Policy**

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INTRODUCTION

This Task Force was created by the Consultative Group to review the university's PTR/Merit arrangements as agreed to in the 'Report of the Task Force on Faculty Compensation' October 1983. Under the policy that has been in place for the past three years, it was stipulated that a review would be conducted to determine whether to extend the use of the policy or to change it in time for the 1987 salary decisions.

The Report begins with an overview of our relative salary position and some of the factors that need to be considered when discussing the rates of remuneration versus numbers of positions trade-off. The Report then provides a statement of some of the basic ideas underlying the salary policy and details a proposed revision to the existing arrangement. Appendix 1 compares the effects of the proposed revision with the current policy. Appendix 2 provides a long term illustrative salary projection based on the proposed revision.

Part 1: HISTORICAL OVERVIEW

This review of salary policy takes place against a background of continued financial constraint and increasing concern about Queen's relative salary position. To assess the status of our relative salary level, data from a number of universities in Ontario have been examined to determine more precisely, what has happened to our relative salary position over the past decade. Since average salary levels are affected by many factors (age distribution, market pressures, the level of recruitment activity and institutional salary policy to name a few) it is difficult to fully establish the exact changes in relative salary position. Nevertheless, it is possible to provide a reasonably good 'picture' of what appears to have transpired over the past decade, and more particularly in the past few years. What follows then are some general observations about our relative salary situation and some basic background information about some of the trade-offs that need to be considered when discussing compensation increases and salary policy.

Table 1 provides a comparison of average academic salaries since 1975/76 between Queen's, Guelph, McMaster, Toronto, Waterloo, Western and York. In 1975/76 average salaries ranged from about 5% below to 5% above Queen's. Throughout the remainder of the '70s and into the early part of the 80's that pattern was reasonably stable, although individual institutions may have moved upwards or downwards within the band.

In 1982/83 however, a major increase at Toronto seemed to alter the provincial salary situation. In that year, salary settlements were averaging about 13%-14% across the province. The Toronto settlement totalled over 20%. In 1983/84, government legislated compensation increases by imposing a 5% restriction on salary increases and in 1984/85 universities were asked to limit the increase in the compensation levels in keeping with the government's restraint program. In 1985/86 however, some universities made special adjustments in response to both the Toronto situation and the lifting of the formal restraint guidelines*. For 1986/87, preliminary data from other universities suggests that our overall increase is in line with many other universities - somewhat higher than Waterloo's, Guelph's and McMaster's but somewhat lower than Western's and York's (as of this date Toronto has not settled).

It appears from the data in Table 1 that there has been a change in our relative salary position since about 1982/83 with a noticeable shift occurring in 1985/86. It is important, however, to determine if the change is 'across-the-board' or affects groups of faculty differentially.

Tables 2 through 9 provide more detailed comparison of salary levels by focussing on the various faculty age groups. At the junior level, starting salaries are affected by market considerations and consequently the Toronto settlement has had little effect on our relative position (see Tables 2 and 3). Among faculty in the age groups 35 to 49 there has been a shift in our relative position (see Tables 4 through 6). From age 50 onwards however, the effects are not nearly as significant (see Tables 7 through 9).

* In the form of retroactive PTR/Merit allocations for the 1983/84 year when such increases were restricted, by government legislation, to those earning less than \$35,000, or as a lump sum payment not necessarily tied to any particular occurrence.

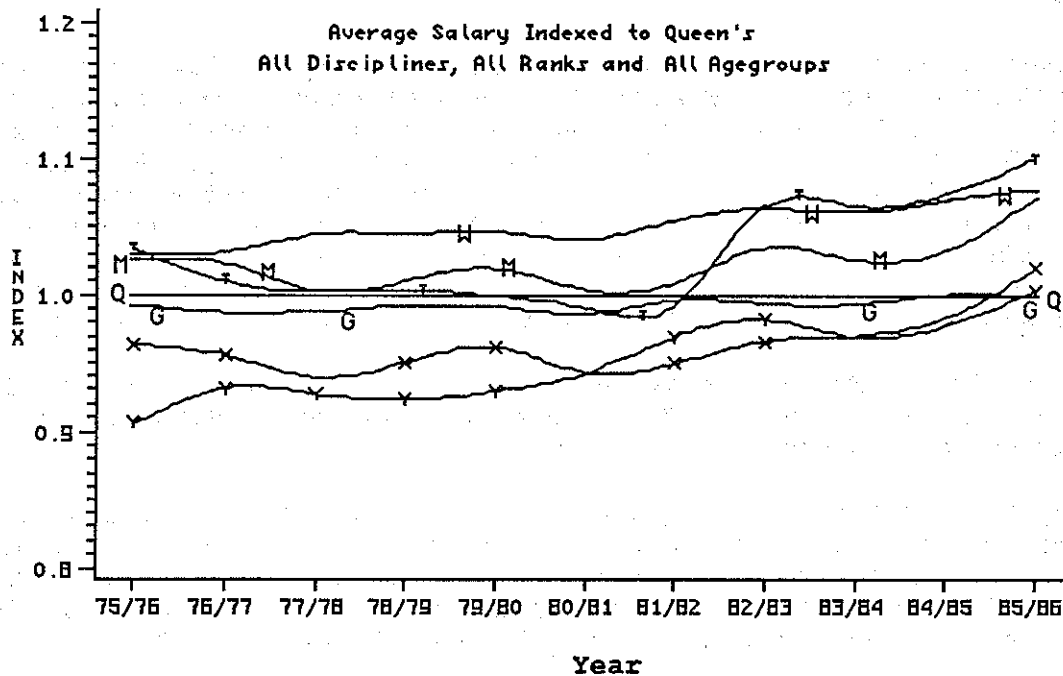
Table 1

**Average Salary - All Agegroups Combined
Selected Universities - Excludes Medical Faculty**

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	24445	29084	32570	40156	46610	50548
McMaster	25218	29527	33480	40674	48108	54213
Queen's	24610	29436	32849	40300	46912	50610
Toronto	25429	29502	32813	40009	49946	55699
Waterloo	25317	30751	34380	42504	49743	54537
Western	23706	27661	31597	38296	45513	51605
York	22298	27293	30527	39086	45464	50788

**Average Salary - All Agegroups Combined
Indexed to Queen's
Selected Universities - Excludes Medical Faculty**

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	99	99	99	100	99	100
McMaster	102	100	102	101	103	107
Queen's	100	100	100	100	100	100
Toronto	103	100	100	99	106	110
Waterloo	103	104	105	105	106	108
Western	96	94	96	95	97	102
York	91	93	93	97	97	100



G = Guelph M = McMaster Q = Queen's T = Toronto
W = Waterloo X = Western Y = York

Source: Statistics Canada

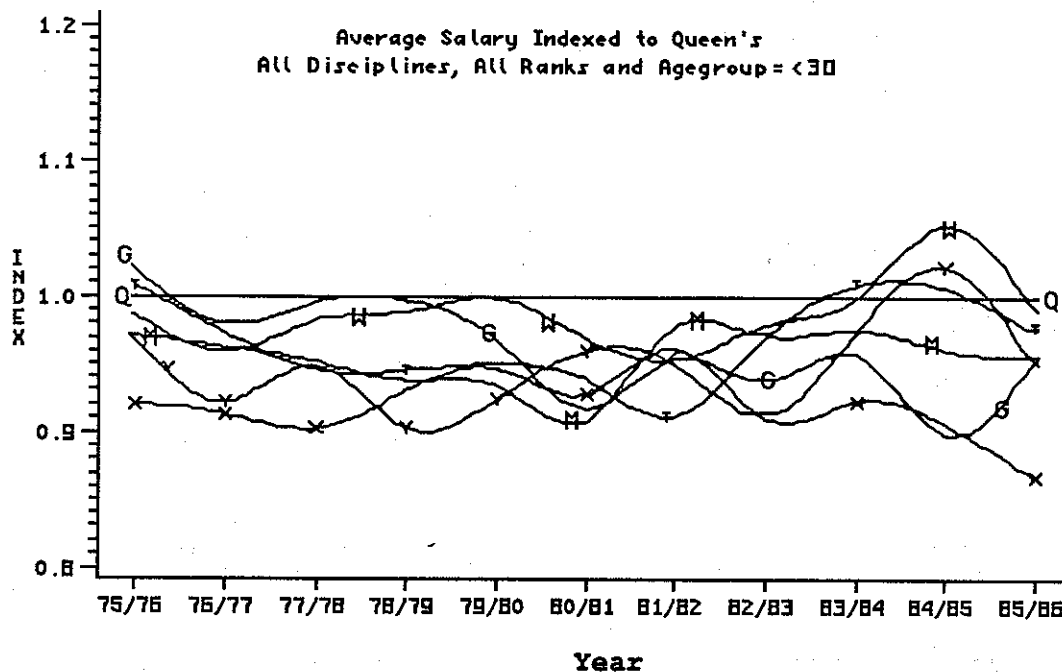
Table 2

Average Salary - Agegroup < 30
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	16460	18286	19682	23088	27827	31970
McMaster	15671	17472	18986	23651	28403	32072
Queen's	16142	18367	20347	24207	29122	33572
Toronto	16279	17363	19319	22079	29375	32697
Waterloo	15922	18035	20325	23075	29107	33211
Western	14850	16570	19250	23274	26864	29100
York	15620	17423	18810	22977	28327	31771

Average Salary - Agegroup < 30
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	102	100	97	95	96	95
McMaster	97	95	93	98	98	96
Queen's	100	100	100	100	100	100
Toronto	101	95	95	91	101	97
Waterloo	99	98	100	95	100	99
Western	92	90	95	96	92	87
York	97	95	92	95	97	95



G = Guelph M = McMaster Q = Queen's T = Toronto
W = Waterloo X = Western Y = York

Source: Statistics Canada

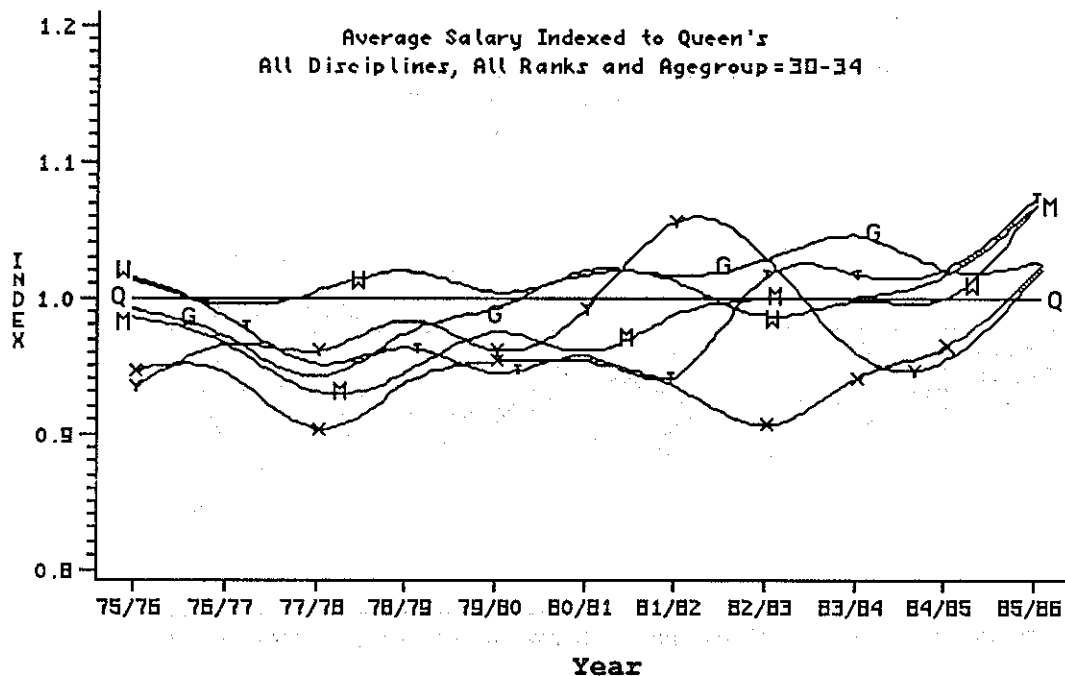
Table 3

Average Salary - Agegroup 30-34
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	19194	21508	23763	28623	34050	35548
McMaster	19083	21241	23310	27828	32594	36972
Queen's	19374	22839	23923	28174	32568	34637
Toronto	19660	21724	22594	26575	33118	37172
Waterloo	19623	22937	24018	28500	32495	36949
Western	18349	20633	22796	26322	30646	35325
York	18102	21946	22997	29759	31226	35182

Average Salary - Agegroup 30-34
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	99	94	99	102	105	103
McMaster	98	93	97	99	100	107
Queen's	100	100	100	100	100	100
Toronto	101	95	94	94	102	107
Waterloo	101	100	100	101	100	107
Western	95	90	95	93	94	102
York	93	96	96	106	96	102



G = Guelph M = McMaster Q = Queen's T = Toronto
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Source: Statistics Canada

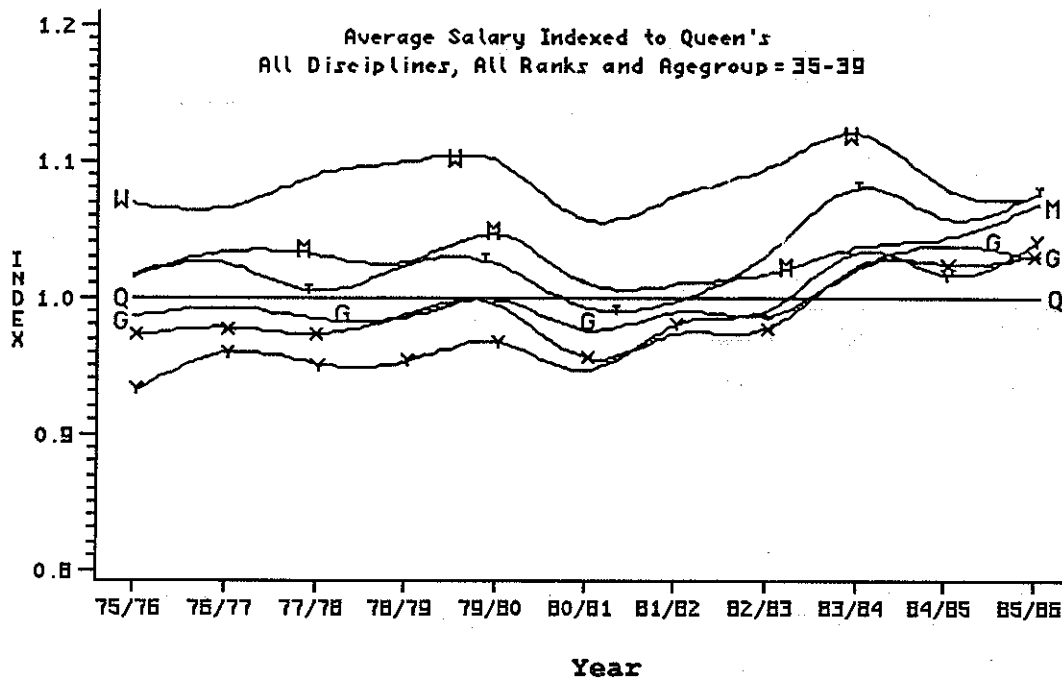
Table 4

Average Salary - Agegroup 35-39
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	21916	25491	27871	33647	38091	41471
McMaster	22613	26696	29184	34321	38654	43087
Queen's	22224	25906	27912	33999	37293	40329
Toronto	22627	26018	28563	33929	40288	43424
Waterloo	23723	28217	30664	36538	41749	43254
Western	21604	25204	27752	33083	38138	41563
York	20720	24631	26990	33323	38514	41969

Average Salary - Agegroup 35-39
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	99	98	100	99	102	103
McMaster	102	103	105	101	104	107
Queen's	100	100	100	100	100	100
Toronto	102	100	102	100	108	108
Waterloo	107	109	110	107	112	107
Western	97	97	99	97	102	103
York	93	95	97	98	103	104



G = Guelph M = McMaster Q = Queen's T = Toronto
W = Waterloo X = Western Y = York

Source: Statistics Canada

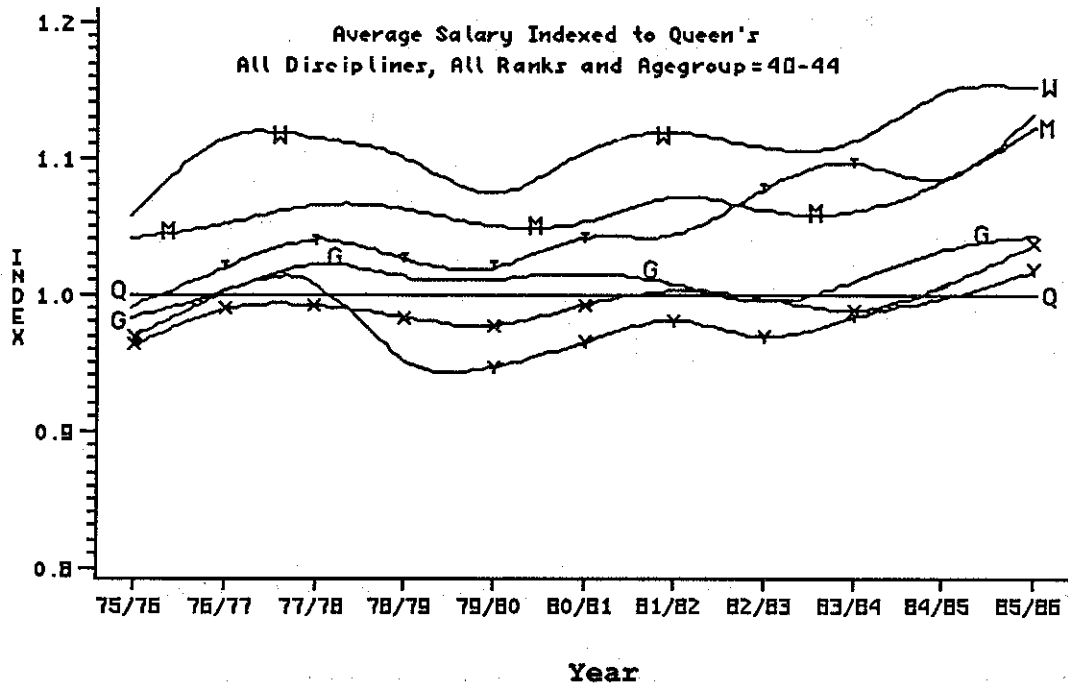
Table 5

Average Salary - Agegroup 40-44
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	25363	29442	32723	38405	44150	48316
McMaster	26851	30685	33968	40841	46368	51918
Queen's	25775	28806	32358	38124	43726	46313
Toronto	25586	29957	33009	39801	47907	52402
Waterloo	27296	32105	34758	42630	48632	53346
Western	24826	28561	31622	38214	43218	48000
York	24978	29021	30647	37373	42989	47111

Average Salary - Agegroup 40-44
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	98	102	101	101	101	104
McMaster	104	107	105	107	106	112
Queen's	100	100	100	100	100	100
Toronto	99	104	102	104	110	113
Waterloo	106	111	107	112	111	115
Western	96	99	98	100	99	104
York	97	101	95	98	98	102



G = Guelph M = McMaster Q = Queen's T = Toronto
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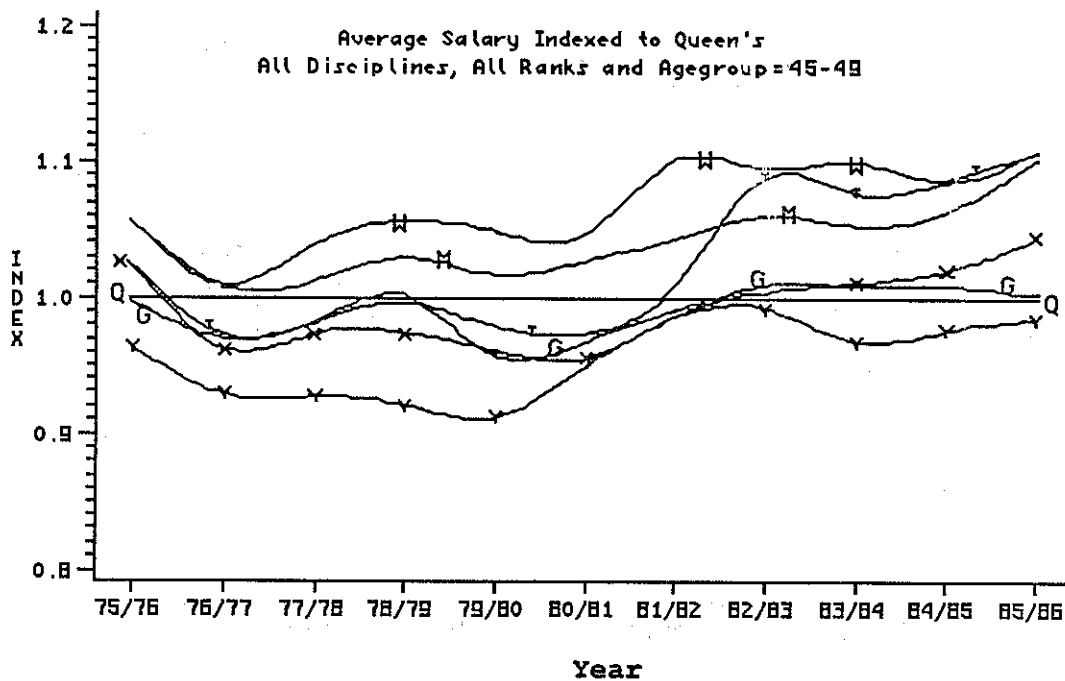
Table 6

Average Salary - Agegroup 45-49
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	27886	32956	35257	42414	49475	52625
McMaster	29499	33938	37448	44640	51620	57845
Queen's	27979	33537	36837	42802	49043	52557
Toronto	28632	32952	36034	43187	52776	58160
Waterloo	29515	34852	38620	47083	53901	58213
Western	28619	32640	35404	42274	49571	54865
York	26947	31098	33612	42178	47457	51728

Average Salary - Agegroup 45-49
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	100	98	96	99	101	100
McMaster	105	101	102	104	105	110
Queen's	100	100	100	100	100	100
Toronto	102	98	98	101	108	111
Waterloo	105	104	105	110	110	111
Western	102	97	96	99	101	104
York	96	93	91	99	97	98



G = Guelph M = McMaster Q = Queen's T = Toronto
 W = Waterloo X = Western Y = York

Source: Statistics Canada

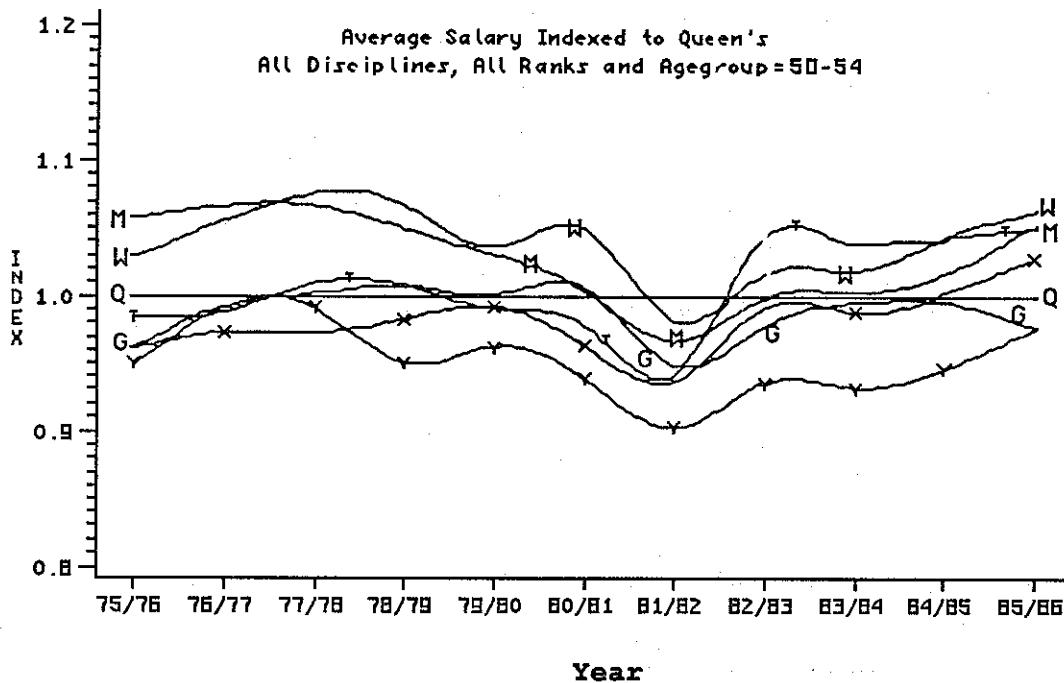
Table 7

Average Salary - Agegroup 50-54
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	29818	35075	38650	46482	54446	57075
McMaster	32802	37336	39781	47379	54891	61511
Queen's	31006	35021	38601	48989	54724	58410
Toronto	30500	35368	38245	46168	56726	61258
Waterloo	31891	37658	40023	48125	55755	62044
Western	29812	34076	38291	45900	54038	60041
York	29424	34722	37152	44215	51004	56976

Average Salary - Agegroup 50-54
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	96	100	100	95	99	98
McMaster	106	107	103	97	100	105
Queen's	100	100	100	100	100	100
Toronto	98	101	99	94	104	105
Waterloo	103	108	104	98	102	106
Western	96	97	99	94	99	103
York	95	99	96	90	93	98



G = Guelph M = McMaster Q = Queen's T = Toronto
 W = Waterloo X = Western Y = York

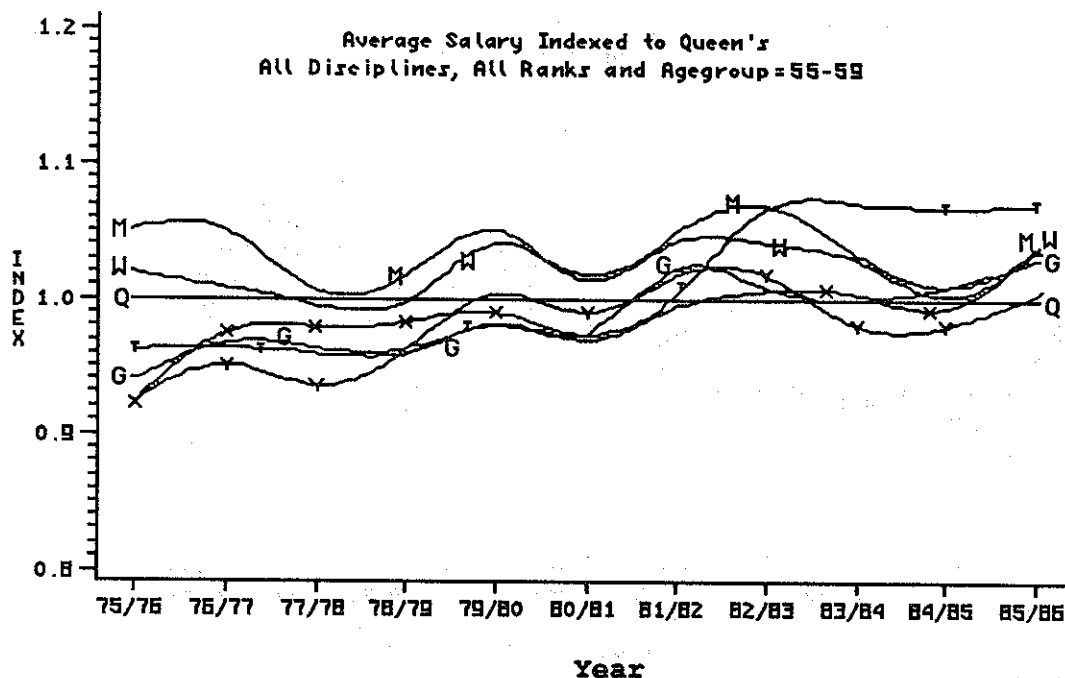
Table 8

Average Salary - Agegroup 55-59
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	31008	37065	40176	49353	56657	62343
McMaster	34692	38731	43051	50624	58604	62710
Queen's	32975	38484	40988	48260	56663	60561
Toronto	31732	36910	40195	48419	60659	64685
Waterloo	33568	38309	42650	50321	58290	62737
Western	30434	37658	40562	47986	56841	62949
York	30511	35974	41137	49108	55560	60801

Average Salary - Agegroup 55-59
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	94	96	98	102	100	103
McMaster	105	101	105	105	103	104
Queen's	100	100	100	100	100	100
Toronto	96	96	98	100	107	107
Waterloo	102	100	104	104	103	104
Western	92	98	99	99	100	104
York	93	93	100	102	98	100



G = Guelph M = McMaster Q = Queen's T = Toronto
 W = Waterloo X = Western Y = York

Source: Statistics Canada

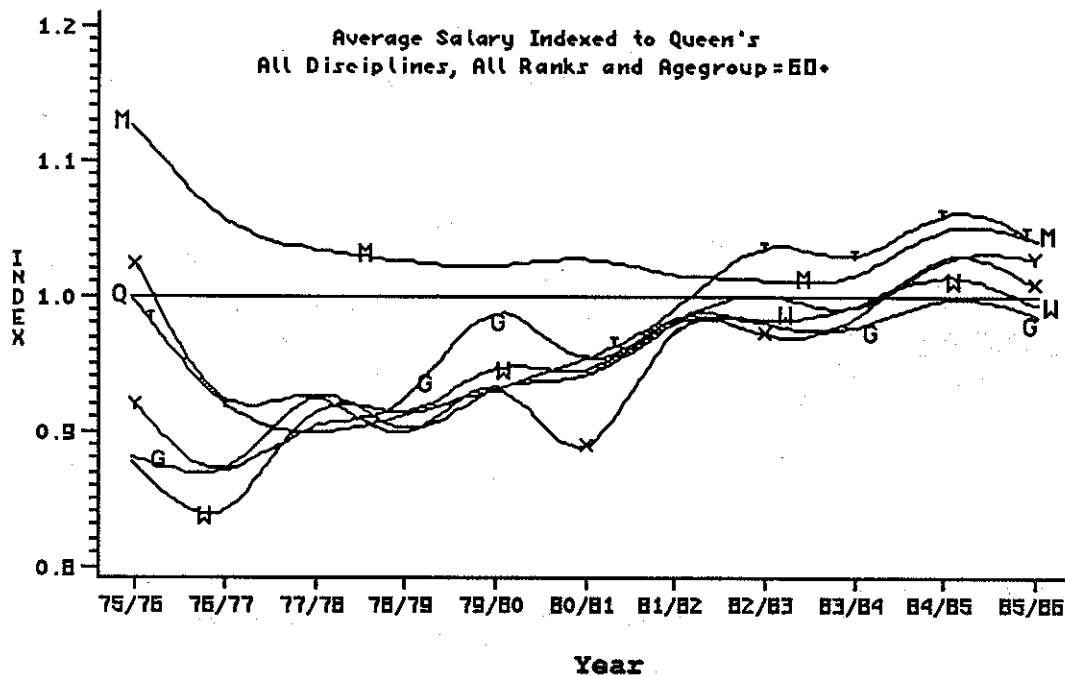
Table 9

Average Salary - Agegroup 60+
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	28372	36537	43502	50875	58377	63888
McMaster	36280	41853	45083	52566	60712	67425
Queen's	32264	40468	44090	51737	59760	64739
Toronto	32082	36387	41068	51234	61547	67519
Waterloo	28200	36985	41713	50690	59356	64316
Western	33049	37454	41073	50313	58817	65290
York	29664	37457	41041	50739	59252	66504

Average Salary - Agegroup 60+
Indexed to Queen's
Selected Universities - Excludes Medical Faculty

University	75/76	77/78	79/80	81/82	83/84	85/86
Guelph	88	90	99	98	98	99
McMaster	112	103	102	102	102	104
Queen's	100	100	100	100	100	100
Toronto	99	90	93	99	103	104
Waterloo	87	91	95	98	99	99
Western	102	93	93	97	98	101
York	92	93	93	98	99	103



G = Guelph M = McMaster Q = Queen's T = Toronto
W = Waterloo X = Western Y = York

Source: Statistics Canada

The preceding age/salary data gives rise to the need for a closer examination of factors that might be affecting the relative salary situation besides the Toronto adjustment in 1982/83. We begin with a look at salary policy.

Prior to 1984/85 Queen's did not have a formal PTR/Merit plan. From 1974/75 to 1980/81 PTR/Merit seemed to average about 3% per year but the distribution mechanism varied from fixed dollar amounts to percentage distribution. Consequently, there appears to have been no explicit long-term PTR/Merit policy but rather an annual decision about the size and distribution of the merit increment and an implicit assumption that 3% was an appropriate PTR/Merit figure. In 1981/82 and 1982/83 PTR/Merit averaged about 2.6% and was distributed on a dollar basis. Beginning in 1984/85, the current PTR mechanism was implemented with an average PTR/Merit value of about 1.9% distributed on the basis of a fixed dollar amount derived as 3.6% of the Assistant Professor floor. As explained in Part 2 of this report, these figures were based on the actual salary experience at Queen's. The 1984/85 plan included, as well, a formalized method for providing additional PTR for junior faculty (junior increments) and somewhat less PTR for senior faculty (PTR abatements). At Waterloo and McMaster the fixed dollar increment has been derived as 6% of the Assistant Professor floor and their plans incorporate specific 'breakpoints' that trigger reductions in the amount of PTR and culminate in absence of PTR increments at a salary level of 2.5 times the Assistant Professor floor. In addition, both universities 'cap' the scale increase at a specified level. The result of such a policy is to provide for an accelerated level of PTR through the early to mid-part of one's career, with a reduced level as salary increases beyond 2.2 times the Assistant Professor floor and finally, no further PTR once a salary level of 2.5 times the Assistant Professor floor is attained. Those policies have been in place since the mid -70's. At Toronto the PTR/Merit factor is higher than at Waterloo or McMaster but the basic plan is similar in concept. York has a basic salary model that incorporates fixed dollar increments although there are no breakpoints. Guelph and Western, have salary policies that are based on annual determinations without any fixed PTR plan although both institutions are reviewing their current approach.

As might be expected, one of the consequences of differing PTR/Merit plans is the long term effect on salary levels and hence, relative salary position. If one assumes that market considerations ensure starting salaries will be fairly comparable, then differences in salary levels that develop are either a result of differing levels of scale increase and/or differing rates of PTR/Merit. Since 1980/81, scale increases at Western, York, McMaster, Guelph, and Waterloo have been very similar to Queen's. Only Toronto's has been significantly higher and that is directly attributable to the 1982/83 settlement. All of the others have provided scale increases over the period ranging from 3% below to 2% above Queen's.

Given the comparative data by age group, one appears to see the effects of a differing level of PTR/Merit. In the junior age groups our salary levels are very competitive. In the middle age groups we tend to be slipping and at the senior levels our salary situation is again very competitive. That pattern tends to coincide with differences in the PTR schemes. At the junior level, competitive starting salaries ensure that our salary levels are comparable. After a number of years of PTR/Merit increases of \$300 - \$500 less than some other universities, significant differences begin to develop between Queen's and some other universities. Once PTR/Merit drops to \$0 at other places however, the Queen's position improves.

Differing institutional salary policies appear to have had an effect on our relative salary position, during the past few years in particular. In addition, the age levels of faculty will have a bearing on average salary comparisons. If the average age of faculty is even a year or two higher elsewhere, then there will likely be a difference in average salary levels because of the additional PTR/Merit an older individual will have likely received over his/her career.

Using 1985/86 data one can see in Table 10 that there are some major age differences among institutions. Queen's has proportionately more younger faculty (<35 years old) than McMaster, Toronto, Waterloo and York. We have proportionately fewer older faculty (55+) than any of the others except York. Without detailed annual age data it is difficult to draw concrete conclusions but the age differences should be considered when examining institutional average salary levels.

Table 10

**% Distribution of Faculty
By Age-Group -- Selected Universities
1985/86**

University	<30	30-34	35-39	40-44	45-49	50-54	55-59	60+	Total #
Guelph	1.6	10.1	16.9	19.4	18.6	14.5	11.7	7.3	744
McMaster	3.1	7.2	14.4	19.1	19.1	18.6	10.3	8.3	582
Queen's	2.6	9.0	12.4	18.0	22.2	17.5	11.1	7.3	702
Toronto	1.9	6.7	12.1	19.5	20.3	16.0	13.6	10.0	1614
Waterloo	1.5	8.8	13.8	19.2	21.8	15.3	11.1	8.4	783
Western	3.5	10.1	13.3	18.9	18.3	14.5	12.9	8.5	951
York	1.5	5.8	12.5	24.9	24.9	13.6	9.6	7.3	1035

Another factor that probably should be considered when comparing average salary levels is the level of recruitment activity. Differing levels of recruitment activity will affect overall average salary levels because of the lower salaries paid to junior faculty. Clearly, our efforts that have been made to try and bring young faculty on board have been successful but they do have an impact on average salary levels.

The preceding has been intended to provide some general observations on our relative salary position. While it appears that there may well have been some 'slippage' in our relative salary position over the past few years in particular, it is difficult to establish the extent of the slippage given the variety of factors that need to be considered. It is evident however, that the 'slippage' may become much more serious if steps are not taken to remedy the situation over the longer term. In developing the 1986/87 compensation program that concern was voiced by members of the Consultative Group and the resultant compensation program was intended to ensure that our compensation increase would prevent any further 'slippage'. As mentioned previously, preliminary data from other universities suggests that our overall increase is in line with many other universities and somewhat higher than Waterloo's, Guelph's and McMaster's.

Trying to assess the state of our relative salary situation only focusses on one side of the perennial 'trade-off' of rates of remuneration versus numbers of faculty/staff. Any institution can provide salary increases that outstrip revenue increases if it is willing to reduce the numbers of faculty and staff. At Queen's a conscious effort has been made to consider the 'trade-off' each and every year. By adopting such a stance, the Consultative Group has been very aware of the possible effects on the academic environment at Queen's and there has been a willingness to consider the protection of that environment as a major element when determining the annual compensation level. Only when one compares that environment with other Ontario universities can the results of the trade-off decisions be better understood.

Table 11 provides a comparison of student/faculty ratios among Ontario universities. The student/faculty ratio provides an indicator of academic excellence and a measure of the 'quality' of the academic environment. Queen's has placed added emphasis on student faculty contact and it has long been regarded as one of the major strengths of the institution. Our relative position reflects the importance that we have attached to this most important facet of our academic program.

Table 11

Student/Faculty Ratios*
By University
1976/77 - 1984/85

University	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85
Brock	15.1	14.0	13.3	13.6	15.0	16.1	18.3	18.8	18.9
Carleton	16.3	15.3	14.2	14.4	14.2	14.3	15.7	16.5	16.3
Guelph	15.5	15.2	13.7	14.0	14.8	15.2	15.4	15.8	15.7
Lakehead	13.2	13.4	12.5	11.8	12.9	13.8	14.9	15.5	15.7
Laurentian	12.6	11.0	12.6	12.9	13.5	15.0	16.7	16.3	17.1
McMaster	14.1	13.8	13.2	13.2	13.4	14.2	15.0	15.1	14.3
Ottawa	14.0	13.3	14.0	14.5	14.3	14.5	15.1	15.1	15.3
Queen's	13.1	12.9	12.9	13.4	14.1	14.7	14.9	14.6	14.4
Toronto	13.5	12.7	13.7	14.2	15.1	15.3	16.4	16.0	16.1
Trent	14.9	14.9	13.7	13.8	12.7	14.4	15.4	16.4	17.8
Waterloo	16.1	15.7	16.1	17.2	18.2	19.2	19.6	19.4	19.6
Western	13.8	13.3	14.1	14.7	15.5	16.3	17.9	18.2	18.3
W. Laurier	18.0	16.8	17.7	18.4	19.6	20.9	21.6	21.9	21.1
Windsor	16.7	15.4	14.1	14.6	14.1	15.2	17.0	17.1	16.1
York	16.9	14.3	13.9	13.8	14.6	16.5	18.1	18.7	18.1
Average	14.6	13.9	14.0	14.3	14.6	15.6	16.7	16.8	18.0

*Calculated as total enrolment divided by calculated FTE Faculty count

Table 12 shows information about the size and change in faculty complements over the period 1977/78 to the present. Without a standard across the province method for counting faculty, Table 7 takes total salary expenditures and uses average salary data from Statistics Canada to compute faculty 'complements'. A number of points tend to 'jump out' of the data in the table. First, there is a definite correlation between the changes in average salary depicted in Table 1, and reductions in faculty complements as evidenced by the reductions at Toronto, Western and Waterloo. Second, one can see the dramatic effects of the current funding formula by looking at the growth of faculty complements at both Brock and York.

Not only does there appear to be a change in the size of faculty complements but there has as well, been a definite change in the distribution of faculty by rank that is likely not attributable to normal Progress-Through-the-Ranks considerations. In 1975/76 Lecturers comprised about 5% of the total faculty complement at Toronto. A decade later Lecturers comprised over 10% of the total. Combined with the decrease in the percentage of Assistant Professors the situation at Toronto appears to be one in which faculty recruitment has declined significantly and a greater reliance has been placed on use of sessional contractually limited faculty. (See Table 13).

Figure 1 provides a summary of Library Acquisition expenditures over the past several years. Clearly, the funding levels that have been provided at Queen's have set us apart from our research-intensive peers. There is, of course, no definitive way to translate the amount of funding into a judgment of quality but given the increased number of library holdings and the relatively stable rate of acquisition one can surmise that our relative position must be somewhat better than our peers. It may still not be enough, especially in light of the major growth in graduate enrolment and increased emphasis on research. In addition, the effect of an accelerated recruiting program designed to help us deal with the orderly replacement of our aging faculty and continue to attract top scholars to Queen's, places additional demands on the Library acquisition budget.

Figure 2 provides a glimpse of our Computing situation relative to other full service research intensive universities in Ontario. It is important to note that the major impact of micro-computing is not reflected in

Table 12

University	Full-Time Equivalent Faculty *										% Change 77/78-84/85
	76/77	77/78†	78/79	79/80	80/81	81/82	82/83	83/84	84/85	77/78-84/85	
Brock	246.2	250.1	248.0	252.7	255.3	265.8	277.1	292.8	309.7	309.7	23.8
Carleton	727.4	723.8	734.6	721.0	723.8	723.8	710.2	720.6	736.1	736.1	1.7
Guelph	696.6	701.0	717.6	695.7	669.0	675.5	717.3	737.3	737.0	737.0	5.1
Lakehead	274.4	277.3	283.6	278.9	265.9	277.3	282.6	284.1	290.0	290.0	4.6
Laurentian	270.2	279.0	274.3	265.7	252.1	254.3	263.4	280.1	281.3	281.3	0.8
McMaster	856.7	838.5	859.1	841.6	835.0	837.5	839.9	852.6	884.6	884.6	5.5
Ottawa	1040.6	1042.2	1053.2	1047.7	1044.3	1054.6	1053.1	1071.8	1069.5	1069.5	2.6
Queen's	908.1	911.7	913.2	905.7	886.1	875.9	885.4	895.8	904.3	904.3	-0.8
Toronto	2732.0	2749.2	2657.5	2630.4	2565.2	2602.5	2438.2	2563.3	2518.5	2518.5	-8.4
Trent	191.7	190.0	188.4	185.5	202.3	186.8	188.4	198.5	192.0	192.0	1.1
Waterloo	881.3	890.1	885.6	877.2	870.4	854.6	863.8	877.5	864.2	864.2	-2.9
Western	1318.1	1337.9	1305.2	1262.1	1288.5	1306.6	1256.4	1252.9	1247.7	1247.7	-6.7
W. Laurier	263.0	276.1	260.9	259.8	266.9	263.2	268.1	268.9	278.8	278.8	1.0
Windsor	619.5	630.2	600.7	576.2	620.3	594.3	590.8	603.3	611.2	611.2	-3.0
York	1065.6	1183.7	1188.1	1173.6	1168.4	1171.3	1233.2	1286.5	1400.4	1400.4	18.3
Total	12091.4	12280.8	12170.0	11973.8	11913.5	11944.0	11867.9	12186.0	12325.3	12325.3	0.4

* Calculated FTE from C.O.F.O.-U. O. Academic Salary expenditures, Other Instruction and Research Salary expenditures divided by Statistics Canada overall average salary for each institution

† Represents peak staffing level for system

Table 13

**Distribution of Faculty By Rank
Selected Universities - 1975/76 & 1985/86**

University	Rank	75/76	Pct Dist	85/86	Pct Dist
Queen's	Full	219	31.9	321	45.5
	Associate	258	37.6	216	30.6
	Assistant	162	23.6	150	21.3
	Lecturers	48	7.0	18	2.6
	Total	687	100.0	705	100.0
Guelph	Full	213	30.1	267	36.2
	Associate	258	36.4	291	39.4
	Assistant	201	28.4	162	22.0
	Lecturers	36	5.1	18	2.4
	Total	708	100.0	738	100.0
McMaster	Full	204	38.0	288	49.7
	Associate	171	31.8	177	30.6
	Assistant	141	26.3	99	17.1
	Lecturers	21	3.9	15	2.6
	Total	537	100.0	579	100.0
Toronto	Full	546	35.1	768	47.7
	Associate	621	40.0	501	31.1
	Assistant	306	19.7	165	10.2
	Lecturers	81	5.2	177	11.0
	Total	1554	100.0	1611	100.0
Waterloo	Full	228	32.6	339	43.3
	Associate	261	37.3	264	33.7
	Assistant	180	25.8	153	19.5
	Lecturers	30	4.3	27	3.4
	Total	699	100.0	783	100.0
Western	Full	210	23.1	336	35.4
	Associate	294	32.3	357	37.7
	Assistant	306	33.7	198	20.9
	Lecturers	99	10.9	57	6.0
	Total	909	100.0	948	100.0
York	Full	210	23.6	288	27.9
	Associate	369	41.6	513	49.7
	Assistant	240	27.0	192	18.6
	Lecturers	69	7.8	39	3.8
	Total	888	100.0	1032	100.0

Source: Statistics Canada

Figure 1

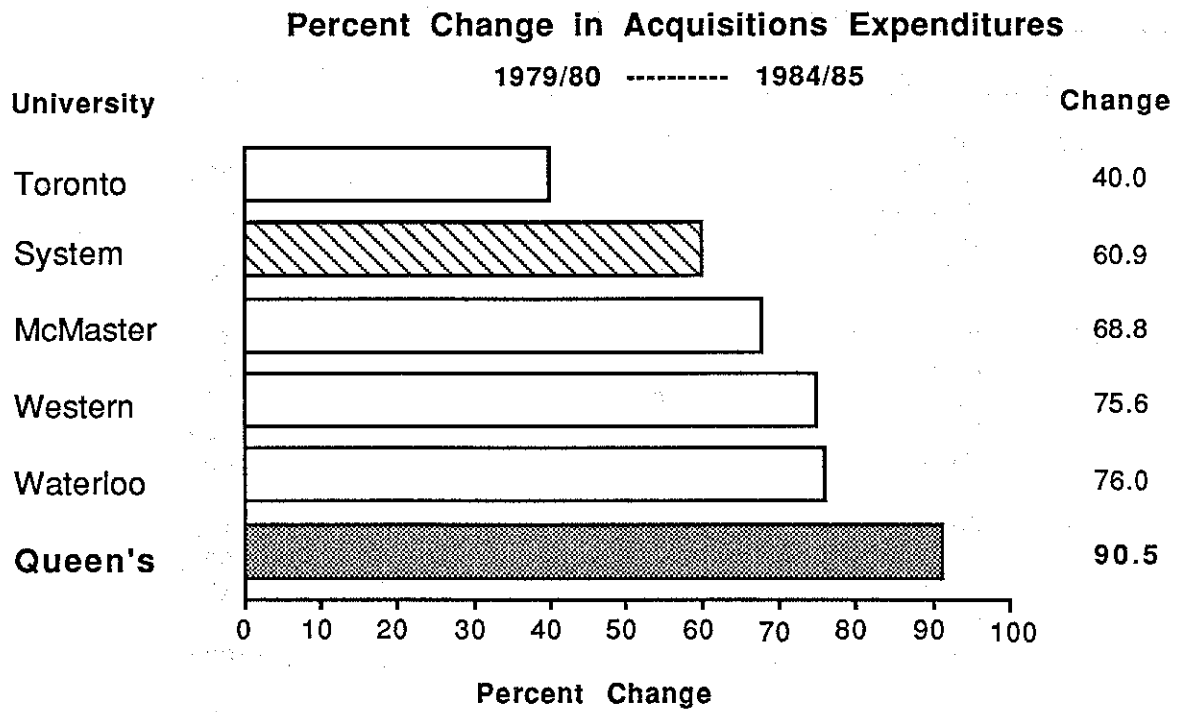
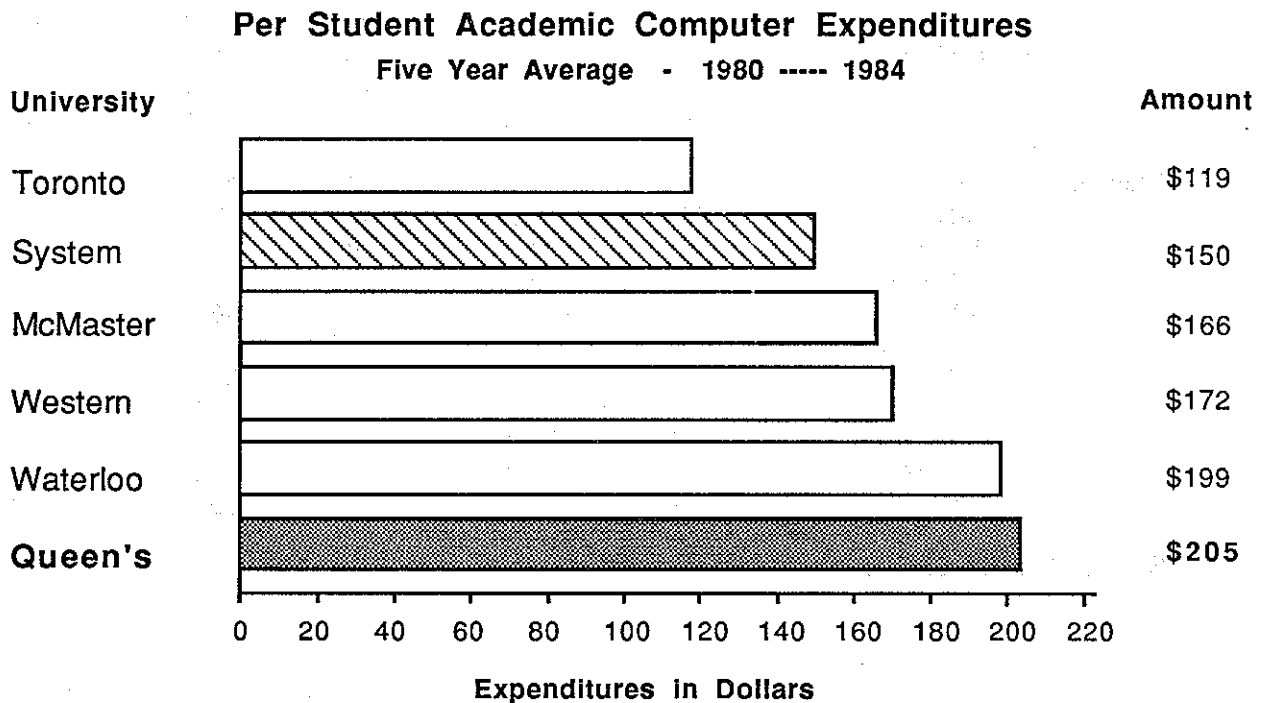


Figure 2



the figures nor are the costs of what might be considered 'local' installations. Caveats notwithstanding, Queen's computing environment is deemed to be among the best in Canada and the institution's commitment is reflected in the amount of funding that has been provided during a period of prolonged fiscal constraint.

In addition to the reality of continued and prolonged financial constraint, the preceding developments have taken place against a background of major changes at Queen's. Increases in research activity and graduate enrolment have characterized the past several years. In more recent years a renewed emphasis on faculty renewal has led to increased recruitment activity and the development of a variety of mechanisms to fund new appointments at Queen's. At the same time the development and consideration of flexible retirement arrangements has emerged as another major change.

One final factor, perhaps, needs to be examined to complete the background picture - that of government funding levels. Given that government funding provides the lion's share of revenue for all of the institutions it is not too surprising that all of the universities would have moved rather closely over the period. Major differences in funding level would have only occurred if there were major differences in the rate of enrolment growth or decline. During the period from 1974/75 to 1980/81 Guelph, York and McMaster actually experienced enrolment decreases, Waterloo registered an increase in enrolment and Queen's, Toronto and Western experienced little change in the absolute numbers. From 1980/81 onwards however, all of the universities experienced enrolment increases - Queen's 4.2%, Toronto 5.4%, Waterloo 9.3%, McMaster 13%, Western 14.1%, Guelph 18.4% and York 48.7%. In spite of rather heavy enrolment discounting for funding purposes, the enrolment increases have had an impact on our relative income position as depicted in Table 14. Fortunately because much of the increase in enrolment at Queen's has been in graduate studies, (graduate students attract multiple 'funding units') the effects on our revenue have not been as serious as they might have been. Nevertheless, using 81/82 as a starting point, Queen's has registered the smallest cumulative increase in government operating grants with the exception of Toronto. Only the imposition of funding 'floors' has prevented a more serious differential.

Table 14

Percentage Increases in Operating Grants
1982/83 - 1986/87

University	1982/83	1983/84	1984/85	*1985/86	†1986/87	Cumulative
Guelph	10.7	6.8	5.9	5.3	3.8	36.8
McMaster	10.8	7.2	5.7	5.0	3.5	36.4
Queen's	11.7	6.9	5.3	4.5	3.5	36.0
Toronto	11.7	6.1	5.0	4.2	3.5	34.2
Waterloo	11.6	7.2	5.6	5.1	3.7	37.7
Western	13.0	8.3	5.5	4.4	3.5	39.5
York	14.8	12.1	10.6	8.2	4.9	61.5
System	12.1	7.5	6.5	5.0	4.0	40.1

* Floor of 4.0%

† Floor of 3.5%

With the preceding as background, we now turn to a discussion of the components of a salary policy and a proposed change in the current PTR/Merit scheme.

Part 2: THE COMPONENTS OF A SALARY POLICY

It will be helpful to review those components which make up a salary model. These are the scale (or economic) increase, the step/progress merit increase, the anomaly increase, and the special (group) adjustment.

THE SCALE (ECONOMIC) INCREASE

This component is usually a fixed percentage increase, generally given to all employees in a particular group. The scale increase is not intended to alter the relative salary levels of members of one employee group. The employees will reasonably hope that this increase protects real salaries against the effects of inflation. Moreover, employees normally expect to receive a reasonable share of the increase in success of the enterprise, or, in the case of public employees, of the growth in wealth of the economy as a whole. On the other hand, among other concerns, the employer will be concerned that the scale increase is sufficient to move the hiring or floor salary (and any other characteristic salaries) upward fast enough to remain competitive in recruiting.

Occasionally employers (with or without employee agreement, or perhaps by Inflation Board fiat) use "capping of scale" to reduce the automatic increase which would otherwise be paid to the higher paid members of the group. For example, the University of Waterloo faculty salary policy caps scale at 2.5 times the floor salary for Assistant Professors (that is, the scale increase paid to someone whose salary exceeds 2.5F is only the scale increase payable for a salary of 2.5F). Such capping in effect exploits inflation to reduce the relative real salary levels of those whose salaries are above the cap. A variant of capping used at some universities (for example, Toronto) is to make scale increases not automatic above a certain salary level; rather, the amounts which would have been used for scale increases for the higher paid instead flow into a discretionary pool. It is not proposed that capping of scale be a part of our faculty salary model.

PROGRESS/STEPS/MERIT

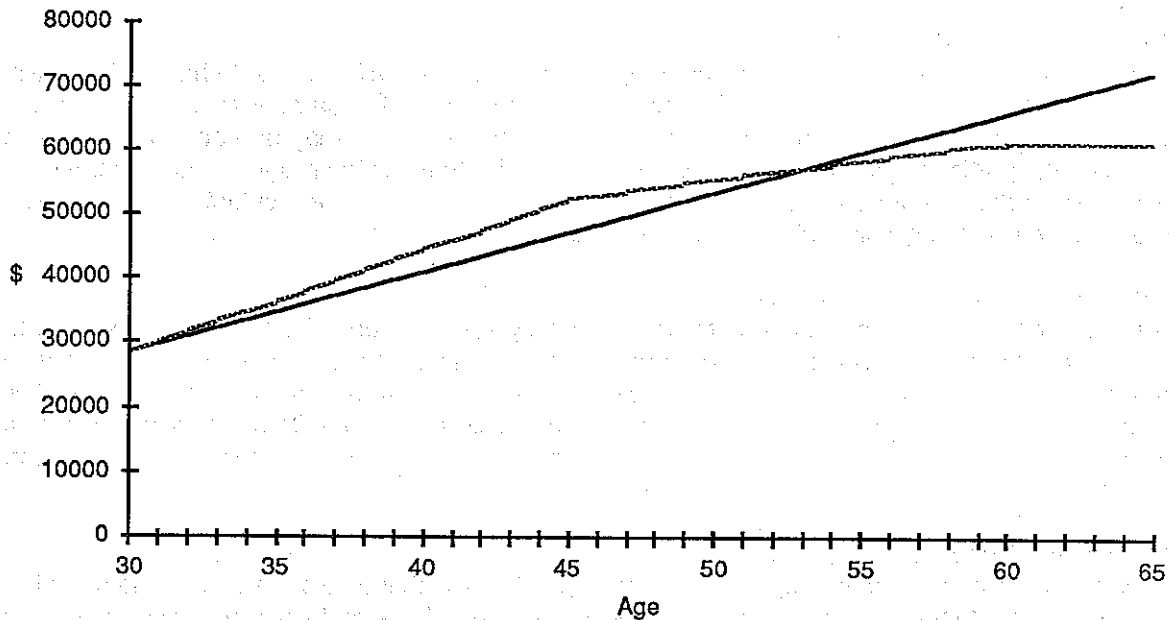
For some types of employment, the employees and employer may judge that it is best to pay all employees performing the same task at the same fixed rate. Skilled trades and large industrial plants are usually organized this way. For such employees, the only way to progress is to be promoted. For other groups, it may be desirable to provide for more gradual "progress through the ranks", and to include some mechanism by which those judged to be performing best have their salaries increased more rapidly. This progress may be provided by predetermined "steps" (example: schoolteachers) or by discretionary "merit" increments (example: Queen's Faculty) or by a combination of both (example: Queen's support staff and the faculty at some other universities).

It is important to recognize that these increases are designed to produce real increase of salary over time and to effect relative changes within the group of employees. It is these increases which produce the characteristic "salary curve" of salary vs. age/experience for an average member of a particular employee group. Such a salary curve is a particularly helpful way to look at salary policy since it allows one to (temporarily) set aside the effect of inflation. The inflationary effects (which we hope are offset by scale increases) show up as a rescaling of the salary axis which does not affect the shape of the curve.

On the subject of salary curves, it may be worth noting how they interact with pension plans. In a "defined benefit" plan, where the pension is calculated using "best 5-year average salary", employees will naturally be concerned to have a salary policy which produces high salaries at the end of the career. However, our pension plan is designed to have people retiring on a "money purchase" plan, where the pension depends on the fund built up by contributions and investments of those contributions over a career. In such a scheme, if the investment performance is good, actual salary during the final five years is relatively unimportant, and there is a big advantage to the employee in making bigger contributions early in the career; thus, one wants a larger fraction of lifetime earnings early in the career. In Figure 3 below, the total earnings are the same for the two salary histories represented by the curve and the straight line, but the curved history should provide a better pension in a money purchase plan.

Figure 3

Hypothetical Curve Showing Same Career Earnings
for Different Salary Policies



In ideal circumstances, progress through the ranks should have no net cost for the employer, or at least very small net cost. The increments of the whole group are paid for by savings recaptured from the difference between the salaries of departing senior employees and recruited junior employees. Such savings will of course be reduced if the employer recruits new employees at relatively higher salaries (perhaps with the intention of raising the level of performance of the organization). Moreover the net cost will be higher if there are very few retirements, or if there is "classification creep" in a system where salaries are related to job classifications. The net cost will also be higher if the increments provided are larger than required to reproduce the existing salary curves (that is, if the increments are in fact intended to move employees onto a higher salary curve than is now in place).

The view of "progress" increments described here suggests that the allocation between "merit" and "scale" components should not be a subject of annual negotiation. Rather, we try to identify an appropriate amount for "merit" on an ongoing basis: to reduce this amount is to deny individuals (particularly the more junior members of the group) the real progress they are entitled to expect for good performance. On the other hand to try to increase this amount at the expense of reduced scale will erode starting salaries and the real salaries of more senior employees. (In this context, one may emphasize that it is the scale increase that moves characteristic salaries such as the official floor salary. Accordingly, the scale increase may be viewed as the best indicator of the *group's* increase, provided the progress scheme is appropriate).

One hazard of operating a progress scheme is that some employees may focus too much on the increment (particularly in a merit scheme) and neglect the fact that their own salary may already be a much more important indicator of level of reward than this year's increment.

A particular concern that sometimes arises with merit schemes is the ability and willingness of the group of employees to accept that in such a scheme, the number receiving below average increases must be about the same as the number receiving above average increases.

ANOMALY INCREASE

"Further increments may be awarded to individuals from an Anomalies Fund when (a) review of salary

statistics indicates than an individual is underpaid in comparison with colleagues of similar experience and performance, of (b) the demand for and individual's expertise or accomplishment makes such an increment necessary. Claims for such increments must be carefully examined, as they have been in the past." (From the Report of the Task Force of Faculty Compensation, 1984).

SPECIAL (GROUP) ADJUSTMENT

Sometimes a group of employees (or a subgroup of a larger group) will be found to have salaries which are somewhat out of line in comparison with some other group within the same institution, or in comparison with some external market. In such a case, some special adjustment may be necessary; the details will depend on the particular group. An example of such an adjustment is the program that was put in place for the Salary Grades 1-4 of Queen's support staff a few years ago. For the faculty for the past three years there have been small special adjustments at and near the Assistant Professor Floor.

REVISION OF SALARY POLICY

We recommend that Queen's continue to use the faculty salary model which has been used for the past three years with only a change in the size of the merit pool and associated adjustments. Reasons for this change are included in the following discussion of the main features of this model. In addition, the statistics comparing Queen's faculty salaries with faculty salaries at other Ontario universities indicate that some group adjustment may be necessary; no immediate plan for such an adjustment is proposed in this report.

MERIT INCREMENTS

In order to provide for suitable progress from starting salary to retiring salary, the average merit increment should be related to the starting salary. In the 1984 policy, we chose an increment which would reproduce over time a salary curve comparable to the existing salary data at Queen's. Universities such as Toronto, Waterloo and McMaster are using a higher figure so if we are going to have typical salary curves competitive with theirs, we must move to a higher figure. (The differences between our salary data and theirs, however, were not produced by two year's operation of our current policy; rather they reflect that more total dollars per faculty member were made available for increases elsewhere over a period of several years). We now recommend that the average merit award be 5% of the floor salary for assistant professors.

We also believe that the merit increments should be awarded as they are now: on the recommendation of Head and Dean (with the same relative holdback at the Faculty level as before), on the principle of "equal dollars for equal merit", and in amounts which are integral multiples of 10% of the average merit increment.

JUNIOR INCREMENTS

These increments, in the amount of 1% of the floor salary for assistant professors, should continue to be awarded to each faculty member who has been at Queen's for less than ten years, has a salary of less than 1.65 times the floor salary for assistant professors, and who is judged deserving of a merit increment of at least 70% of the average merit increment. Their function is to provide more rapid increase of salary in the early years of the career, which is a common feature of salary policies for many professional groups.

ABATEMENT OF "PROGRESS THROUGH THE RANKS COMPONENT"

For many professional groups, the salary curve flattens in the later years of a career. The higher salary typical of such later stages of the career already includes recognition of a very high level of performance, so it does not seem necessary nor appropriate to provide for much further advancement of salary except where performance moves to even higher levels. (Of course we assume that the higher paid individual's real salary will be protected by adequate scale increases). There are various ways by which universities limit the amount of the increases available to highly paid faculty. Some use salary ceilings; Waterloo and McMaster cap the scale increases and make no provision in their policies for merit increases for those whose salaries are above 2.5 times the assistant professor floor. Toronto creates a different merit pool for those above a certain threshold.

These provisions seem to us too rigid to be fair, and seem to require that the most highly paid be treated by an unstated policy. The scheme of merit increases subject to abatements which we have used for three years has two advantages. It includes all faculty under the one stated policy. It provides reduced net merit

increases for highly paid faculty members whose performance is judged to be average, but does allow for real net increases for those whose performance is distinctly above average.

Since the justification for Queen's moving to a higher average merit figure is largely comparison with other Ontario universities, it seems appropriate that merit awards for the most highly paid be subject to some form of reduction as they are at other Ontario institutions. We propose that we continue to use a system of abatements and that they be increased so that the average merit increment, net of abatement, be approximately the same under the revised policy as it was before.

Specifically, the abatements should be as follows:

- (a) for a salary between 2.3 and 2.5 times the assistant professor floor net merit award = nominal merit award less an abatement of 1.9% times the floor;
- (b) for a salary between 2.5 and 2.7 times the floor, net merit award = nominal merit award less an abatement of 2.4% times the floor;
- (c) for a salary above 2.7 times the floor, net merit award = nominal merit award less an abatement of 2.9% times the floor.

SCALE INCREASE

The policy provides that there should be a uniform percentage scale increase applied to salaries after the other annual adjustments, and we see no cause to change that. We also believe that it should continue to be possible to withhold the scale increase in exceptional cases, with an explanation to the person affected. (Such withholding in exceptional cases would also be possible in the event of a special group adjustment.)

ANOMALIES FUND

We propose that this be dealt with as in the existing policy, with ongoing review in the Consultative Group.

DURATION

The policy will be used in 1987, 1988 and 1989 unless significantly altered real funding levels suggest an earlier review. A review will be conducted starting in January 1989 to determine whether to extend the use of the policy or change it in time for the 1990 salary decisions.

Appendix 1

Summary of Current and Proposed Policy
Using 1986/87 Salary Increase Program

	Average PTR/ Merit After		Average PTR/ Merit After	
	Current	Adjustments	Proposed	Adjustments
Assistant Professor Floor	\$26,850		\$26,850	
PTR Factor as % of floor	3.6%	\$970	5.0%	\$1,350
Junior Increment as % of Floor	1.0%	\$269	1.0%	\$269
Adjustment 1 as % of Floor	0.5%	\$134	1.9%	\$510
Adjustment 2 as % of Floor	1.0%	\$268	2.4%	\$644
Adjustment 3 as % of Floor	1.5%	\$403	2.9%	\$779
Estimated Total Cost	<u>1.90%</u>		<u>2.40%</u>	

The following chart provides an illustration of the effects of the proposed revision to the university's PTR/Merit policy. In the 3 curves that are shown, the starting salary is the same, \$28,500. In the case of the '20% < Avg' curve, it is assumed that the individual receives Merit/PTR awards that are 20% below average for each year of his/her career. In the case of the 'Avg' and '20% > Avg' curves, it is assumed that the individual receives that level of PTR/Merit for each year of his/her career.

