

Faculty Salary Compression Study

The University of Alabama

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Introduction

In April 1998, the Financial Affairs Committee of the Faculty Senate undertook a study of the problem of internal faculty salary compression at The University of Alabama. Using salary data provided by The Office for Institutional Research for the academic years 1995-96, 1996-96, and 1997-98, the following salary inequities were identified:

1. Overlapping salary ranges between different faculty ranks.
2. New faculty hires earning higher salaries than existing faculty at the same rank with more years of service, and in some cases, higher salaries than existing faculty at higher rank.
3. Newly promoted faculty earning higher salaries than faculty at the same rank with more years of service, and in some cases, higher salaries than existing faculty at higher rank.
4. Faculty at lower rank earning same or higher salaries than faculty at higher rank with same or greater years of service.

The Committee was unable to make any evaluation of whether the salary compression problem cited resulted from long-term merit-based salary differentials or from market factors. However, the Committee does not believe that market-based arguments are particularly compelling reasons for establishing a pattern of salary compression (or in extreme cases, salary inversions), as any faculty member could potentially command a higher salary by leaving academia. Summary of Results

Tabulated below by academic division are the total number of apparent occurrences of a particular salary compression problem, the percentage of departments within the division showing a particular type of problem, and the total percentage of departments within the division showing at least one instance of apparent salary compression:

Division	Problem Type		Total	Depts.
Arts & Science	(1) Overlapping salary ranges between ranks.	6	27%	
	(2) New faculty earning > salary than...	4	18%	
	(3) Newly promoted faculty earning > salary...	8	36%	
	(4) Faculty at lower rank earning > salary...	14	46%	
	Total:		77%	
CC&BA	(1) Overlapping salary ranges between ranks.	4	100%	
	(2) New faculty earning > salary than...	1	25%	
	(3) Newly promoted faculty earning > salary...	7	75%	

	(4) Faculty at lower rank earning > salary...	5	75%
	Total:	100%	
Communications	(1) Overlapping salary ranges between ranks.	2	40%
	(2) New faculty earning > salary than...	0	0%
	(3) Newly promoted faculty earning > salary...	2	40%
	(4) Faculty at lower rank earning > salary...	0	0%
	Total:	40%	
Education	(1) Overlapping salary ranges between ranks.	2	100%
	(2) New faculty earning > salary than...	3	100%
	(3) Newly promoted faculty earning > salary...	1	50%
	(4) Faculty at lower rank earning > salary...	1	50%
	Total:	100%	
Engineering	(1) Overlapping salary ranges between ranks.	2	25%
	(2) New faculty earning > salary than...	1	13%
	(3) Newly promoted faculty earning > salary...	2	25%
	(4) Faculty at lower rank earning > salary...	5	63%
	Total:	100%	
Human Env. Sci.	(1) Overlapping salary ranges between ranks.	0	0%
	(2) New faculty earning > salary than...	0	0%
	(3) Newly promoted faculty earning > salary...	0	0%
	(4) Faculty at lower rank earning > salary...	0	0%
	Total:	0%	
Library	(1) Overlapping salary ranges between ranks.	1	NA
	(2) New faculty earning > salary than...	1	NA
	(3) Newly promoted faculty earning > salary...	1	NA
	(4) Faculty at lower rank earning > salary...	0	NA
	Total:	NA	
Law School	(1) Overlapping salary ranges between ranks.	1	NA
	(2) New faculty earning > salary than...	1	NA
	(3) Newly promoted faculty earning > salary...	1	NA
	(4) Faculty at lower rank earning > salary...	0	NA
	Total:	NA	
Nursing School	(1) Overlapping salary ranges between ranks.	0	NA
	(2) New faculty earning > salary than...	1	NA
	(3) Newly promoted faculty earning > salary...	1	NA
	(4) Faculty at lower rank earning > salary...	0	NA

Total: NA

Social Work	(1) Overlapping salary ranges between ranks.	0	NA
	(2) New faculty earning > salary than...	1	NA
	(3) Newly promoted faculty earning > salary...	1	NA
	(4) Faculty at lower rank earning > salary...	0	NA

Total: NA

Although this study is limited and imperfect, it is apparent that the problem of faculty salary compression at The University of Alabama is severe and pervasive. Given the magnitude of the problem, the Committee recognizes that it will not be possible to rectify the situation using even a large percentage of the additional salary money available for the 1998-99 academic year. However, the Committee believes that salary compression is one of the major causes for low faculty morale and urges the Administration to:

1. Take immediate and continuing steps to resolve existing faculty salary inequities by allocating a reasonable percentage of available raise money to this purpose.
2. To work to prevent additional salary compression situations created when new faculty are hired at higher salaries than existing faculty by making necessary equity adjustments to ensure that salaries are commensurate with rank and years of service for faculty who perform at a meritorious level.