



Cross-Institutional Exploratory of Faculty Compensation Models to Incentivize Distance Learning Participation

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Abstract

In higher education, courses and curriculum are purportedly the intellectual property of the faculty of academic departments. Academic departments, then, provide instructors or faculty to teach. The assignment of faculty to teach in distance-based programs directly implies there needs to exist some level of financial incentive for the home department of those faculty, as well as direct incentive to the faculty who are involved in teaching. After all expenses are accounted for, then, what model for faculty compensation provides the greatest level of incentive to participate in professional studies? Building on previous scholarship and over a year of additional research, this paper focuses on the impact of numerous employed faculty compensation models across multiple public 4-year institutions of higher education.

A survey of these many institutions of higher learning, regarding their compensation strategy for tenure, tenure-track and adjunct faculty, was collected and compiled. This paper shares the results of this cross-institution study premised on previously reported research, and, furthers the discussion by exploring the ramifications of utilizing adjunct faculty for cost containment purposes.

Department Incentive Models

Previous research^{1,2,3} reported on three department incentive models employed:

- ❑ Push – where the departments receive no residual (profit) from the fee-based programs their faculty/instructors were a part.
- ❑ Split – where each participating academic department received a 50% - 50% split of net residual, with the Dean's Office of the college receiving the remaining 50% split.
- ❑ Pull – where each participating department received 100% of the net residual from participating programs.

The “push” model required a mandate from the Dean of the college that said each department will participate in professional fee-based programs and the programs will be run through the centralized fee-based administrative organization as the designated sole fee-based administering organizational entity.

While the mandate was required for a “push” type of model, and focused heavily on what was good for the college, the department response and willingness to participate in fee-based programs was marginal.

The push model relied heavily on the efficiencies gained from centralization of fee-based programs. In the reported on scenario, centralization provided common policies, practices,

methodologies and procedures, as well as common interfaces to cross-college academic and administrative units.

The “split” model, where each participating department received 50% of the net residual and the Dean’s Office received the remaining 50% of net residual was met with greater interest and increased departmental participation.

The underlying connotation of the split model was the realization there existed administrative expenses which had to be covered by residual generating activities and initiatives, of which fee-based program offerings was one. On the surface, support of administrative activities was expected and generally provided for. As is generally the case, however, benefits can quickly become entitlements and questions arise as to why the remaining 50% was being used for administrative purposes or support. This mind-set ignores the roles and responsibilities of each participating organization, assuming differentiation truly exists.

The natural evolution and current model employed is a “pull” model where the participating departments receive 100% of the net residual. This model evolved from past experience in creating corporate universities by members of the administering organization. The underlying mind-set of this model is to create a pull effect by returning essentially 100% of the net residuals to the participating academic departments, therefore creating maximum incentive to participate. The use of a residual maximizing model not only returns funds outside of general State fund allocations, but, over time, becomes a source of revenue for funding student activities, faculty participation in research and related initiatives. Like any budget line item with uncertainty, it needs to be remembered there should be minimal dependence on variable funds, participation in fee-based programs, however, becomes more pronounced using this model.

Faculty/Instructor Incentive Models

Following this same reported study^{1,2,3}, the faculty/instructor incentive (compensation) models evolved from models that were rubric-based, flat rate, and determined by the department.

Initially, the administering organization held the responsibility for incentivizing faculty through compensation. The first employed model was rubric based. It utilized a weighted factor set of criteria that was determined to be reflective of increasingly greater ability to deliver successful professional fee-based programs.

Criteria of this model included elements such as:

- ❑ Years of applicable experience
- ❑ Academic rank
- ❑ Quantity of scholarship
- ❑ Quality of scholarship

- ❑ Years of teaching

Unfortunately, as might be expected, there was disagreement between participating faculty/instructors on many of these aspects; example being, is one journal article more reputable than another, or, are “X” conference papers equal in value to “Y” of something else. In the end, this model proved less effective than beneficial in determining fair and equitable compensation, and, in some cases actually acted as a disincentive for some.

Subsequent to the rubric model to incentivize participation, evolved the flat rate model. This model took the average of all compensation paid to participating faculty/instructors and used this as a compensation incentive. While, on the surface, fairness appears to underlie this model, those making more in the previous model felt less than treated fairly. This model too, acted as a disincentive and in some cases limited the pool of available talent to deliver professional fee-based programs.

At present, and currently employed, is a department determined model for incentivizing faculty/instructor participation. In this model, all net residual is handed over to participating departments, from which the department heads determine through individual negotiation how best to compensate their respective faculty/instructors. This model pushes responsibility back to the department level where compensation can be considered with other variable incentives on an individual by individual basis.

While this model appears to serve its purpose by removing compensation issues from the centralized fee-based administering organization, it has caused yet another wrinkle suspected and therefore not surprisingly attendant to the issue of fairness. Departments use one of four basic compensation models to incentivize faculty/instructors:

- ❑ No compensation, as the participation in fee-based professional programs are considered in-load, or part of the normal teaching load.
- ❑ Full over-load compensation. This approach assumes the faculty/instructor participating in fee-based programs is “fully” loaded in teaching other courses and this fee-based course is in addition to regularly defined duties.
- ❑ A variable contribution to a faculty/instructor’s expenses account. This account allows the faculty member or instructor to spend accumulated funds for whatever purposes the individual wishes within the constraints of research, scholarship or teaching.
- ❑ A fixed amount, as determined by the department head, to a faculty/instructor’s expenses account.

As expected one department’s faculty/instructors, are not necessarily compensated as another department’s model might employ. To this end, the centralized fee-based administering organization has been asked to work with the Dean to evolve yet another model.

As reported, the centralized fee-based administrative organization, at the request of some of the participating departments, is working to define a common model to be employed across all participating departments. This effort will have to proceed with department heads, the Dean and the Business Office participating. While this model is early in its infancy, development of a successful model is contingent on many factors; to name a few:

- ❑ Fairness
- ❑ Equitable
- ❑ Must function to incentivize maximum participation from most applicable talent
- ❑ Must consider the compromising realities of normalizing a model

In the end, residual from fee-based non-general fund sources is required for sustaining and growth of on-going concerns. It will be imperative we find mechanisms to provide maximum incentive to those most qualified to teach in programs with working adult professional learners as the target audience.

Extension of Previously Reported Research

Extending previously reported research, information was gathered from the University of Florida, Iowa State University and Purdue University. Supplementing the above referenced models is yet another model for compensating faculty to participate in fee-based distance offerings.

This additional model is premised on the following:

- ❑ Faculty teach distance courses live (tuition-based students)
- ❑ Courses are made available at a distance (fee-based students)
- ❑ Faculty compensated per fee-based student
- ❑ Faculty department compensated based on fixed percent of gross revenue per course

This model simply increases the number of students participating in regularly scheduled tuition-based courses. The number of distance students is limited by the instructor. Incentivizing the faculty member on a per student basis, increases the likelihood fee-based students will be accepted as part of any given class.

This model may require a modification of how a given course is taught; this to accommodate students from outside the residential environment. Examples of course modification include the administering of open book quizzes and tests versus the proctored instances employed with on-campus residential students. Success has been demonstrated most readily by those instructors who modified their courses to accommodate these additional distance students.

Compensating an instructor's home department for their support in participating in distance delivery further enhances the likelihood of distance student participation.

Ratio of Tenure, Tenure-Track Faculty

According to The Chronicle of Higher Education⁴, August 22, 2014, there are roughly 763,182 full-time instructors teaching across 4,634 Carnegie classified public, private, for-profit and nonprofit colleges and universities. Of these 763,182 full-time instructors, approximately 516,471 (68%) are tenured or tenure-tracked; this by classification of Professor, Associate Professor and Assistant Professor.

We are hurrying to enhance the skills of our world-wide collective intelligence. The number of highly skilled who can deliver required institutional instruction is growing and at an amazing pace. Additionally, those with greater, more recent and applicable skills to deliver the required instruction are tremendously unemployed and/or underemployed.

While there may be a forecasted shortfall of skilled labor in business and industry that is not the case in public institutions of higher education. The below uses the most recent available data to suggest roughly 217,350 people holding doctorate degrees are unemployed at this time. By any definition, this is not a labor shortage on the whole for this cohort group of individuals.

The United States Census Bureau conducts a Current Population Survey each month for the Bureau of Labor Statistics. The 2013 briefing titled Recent College Graduates in the U.S. Labor Force provides the most recent employment data for the 2011 cohort of graduating students.

This report provides the best estimate of college graduates and their post-graduation employment. The data is presented by race, gender and degree type. The document reflects roughly 1.3 million people received college degrees; either bachelor's, master's or doctorate degrees. Of those 1.3 million people, 1.9% obtained Doctorate degrees; where doctorate degrees are not to be confused with professional degrees. Professional degrees are typically categorized as medical, dental, law and other related disciplines. This 1.9% represents roughly 65,000 individuals.

From the chart below, the Bureau of Labor Statistics Current Population Survey reflects an overall 2.3% unemployment rate for all individuals holding a doctorate degree. This 2.3% is of the entire population of the United States who hold doctorate degrees. The number of people in the United States who hold doctorate degrees is roughly 3%, which for purposes of this example we can snapshot from the World Population Clock at 315 million people. Therefore, 3% of 315 million citizens of the U.S. accounts for 9,450,000, of which 2.3% are unemployed, or 217,350 doctorate degree holders. This data, then, suggests roughly 217,350 people holding doctorate degrees are unemployed as of this snapshot.

In 2011, then, it was estimated 217,350 people holding doctorate degrees were unemployed with another 65,000 graduating in this same year. According to the U.S. Bureau of Labor Statistics, in an October 2011 snapshot, 81.8% of college graduates age 20 -29 held Bachelor's degrees, 12.5% held Master's degrees, 3.8% held Professional degrees and 1.9% held Doctoral degrees.

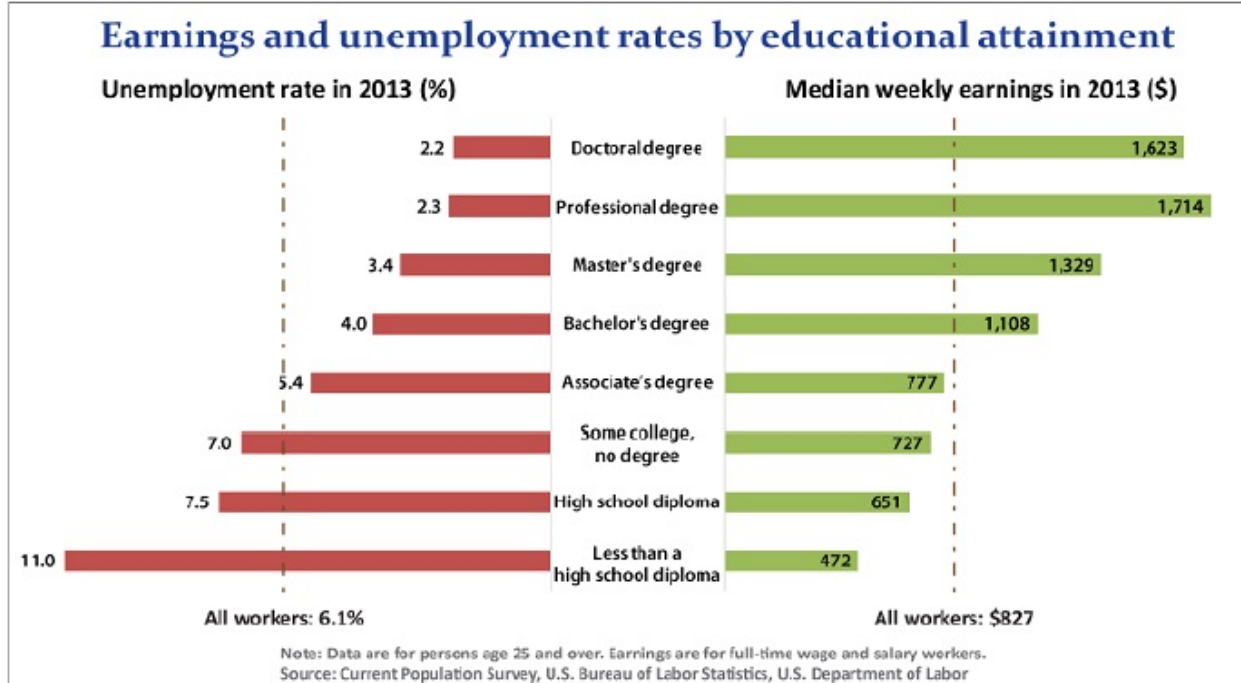


Figure 1.0 – Unemployment and Median Weekly Earnings by Degree Type

A doctorate is an academic degree of the highest level. There are three types of doctorates: research, professional, and honorary⁵.

The most common type of research doctorate is a Ph.D. (Philosophy Doctor or Doctor of Philosophy). In the U.S.A. the minimum time for completing a Ph.D. is usually 3 years following the completion of a master's degree. Although completions within this period are possible, most candidates take considerably longer: anywhere from five to seven years.

Professional doctoral degrees (also called first professional degrees) are awarded in certain fields where most holders of the degree are not engaged primarily in scholarly research and academic activities, but, rather in a profession, such as law, medicine, music, or ministry. The minimum term for such a degree is typically 3 years.

Honorary doctorates are given when a university wishes to formally recognize an individual's contributions to a particular field or philanthropic efforts.

Below lists just a few of the many identified research and professional doctorates:

Doctor of Arts (D.A.)	Doctor of Music Ministry (D.M.M.)
Doctor of Architecture (D.Arch.)	Doctor of Medical Science (D.M.Sc.)
Doctor of Applied Science (D.A.S.)	Doctor of Nursing Science (D.N.Sc.)
Doctor of Business Administration (D.B.A.)	Doctor of Public Administration (D.P.H.)
Doctor of Chemistry (D.Chem.)	Doctor of Physical Education (D.P.E.)
Doctor of Criminal Justice (D.C.J.)	Doctor of Public Health (D.P.H.)
Doctor of Comparative/Civil Law (D.C.L.)	Doctor of Professional Studies (D.P.S.)
Doctor of Criminology (D.Crim.)	Doctor of Design (Dr.DES.)
Doctor of Environmental Design (D.E.D.)	Doctor of Religious Education (D.R.E.)
Doctor of Engineering (D.Eng.)	Doctor of Recreation (D.Rec./D.R.)
Doctor of Environment (D.Env.)	Doctor of Science (D.Sc./Sc.D.)
Doctor of Engineering Science (D.E.Sc./Sc.D.E.)	Doctor of Science in Dentistry (D.Sc.D.)
Doctor of Forestry (D.F.)	Doctor of Science and Hygiene (D.Sc.H.)
Doctor of Fine Arts (D.F.A.)	Doctor of Science in Veterinary Medicine (D.Sc.V.M.)
Doctor of Geological Science (D.G.S.)	Doctor of Sacred Music (D.S.M.)
Doctor of Hebrew Literature/Letters (D.H.L.)	Doctor of Social Science (D.S.Sc.)
Doctor of Health and Safety (D.H.S.)	Doctor of Social Work (D.S.W.)
Doctor of Hebrew Studies (D.H.S.)	Doctor of Education (Ed.D.)
Doctor of Industrial Technology (D.I.T.)	Doctor of Canon Law (J.C.D.)
Doctor of Library Science (D.L.S.)	Doctor of Juristic Science (J.S.D.)
Doctor of Music (D.M.)	Doctor of the Science of Law (L.Sc.D.)
Doctor of Musical Arts (D.M.A.)	Doctor of Rehabilitation (Rh.D.)
Doctor of Musical Education (D.M.E.)	Doctor of Juridical Science (S.J.D.)
Doctor of Ministry (D.Min./D.M.)	Doctor of Sacred Theology (S.T.D.)
Doctor of Modern Languages (D.M.L.)	Doctor of Theology (Th.D.)

Figure 2.0 – Partial List of Research Doctorates

D.C. (Doctor of Chiropractic)	D.P.M. (Doctor of Podiatric Medicine)
D.D.S. (Doctor of Dental Surgery)	D.M.D. (Doctor of Dental Medicine)
J.D. (Juris Doctor or Doctor of Law)	D.V.M. (Doctor of Veterinary Medicine)
M.D. (Medicinae Doctor or Doctor of Medicine) (US)	Psy.D. (Doctor of Psychology)
D.P.T. (Doctor of Physical Therapy)	Pharm.D. (Doctor of Pharmacy)
D.O. (Doctor of Osteopathic Medicine)	O.D. (Optometry Doctor or Doctor of Optometry)

Figure 3.0 – Partial List of Professional Doctorates

Rise of Adjuncts

For many reasons, not to be discussed as part of this paper, colleges and universities have moved toward the increasing utilization of adjunct, or non-tenured/tenured-tracked as instructors. Given

there are such large quantities of available talent, across every college major, supply is more than sufficient for required demand.

To this end, when supply is greater than demand, by basic economic principles of supply-demand, talent can be acquired for less cost; therefore containing cost growth at the institutional level. During these times of increasing college costs, increasing student debt, increasingly greater numbers of graduating seniors moving back, postponing marriage and family, and, subsequently limiting their ability to be productive members of society, colleges and universities are being forced to look for more affordable instructional alternatives; and to this end, adjunct faculty have become that source.

Increasingly greater use of adjunct faculty, as well as the greater supply than demand of said faculty, have created a scenario ripe for unionization movements.

Implications of Fairness

To combat the many ills of being an adjunct faculty member, unionization has made a resurgence in institutions of higher education. Numerous articles of recent have focused on mass unionization efforts of adjuncts, no more proliferate than in the northeast portion of the United States.

In a recent article⁶, Sydni Dunn states:

“... George Washington University’s part-time faculty union has made some real gains since it was formed in 2006: It negotiated a minimum payment of \$3,500 per three-credit-hour course, secured a supplemental retirement plan and a medical leave of absence, and designated a small pool of money for adjuncts to pursue professional development...”

But what is “the top,” or the mark of a successful union? At a time when adjuncts around the country are weighing unionization... it’s a question worth exploring...”

Semi-Final Analysis

While the final analysis is perhaps a long time off, it is clear that faculty compensation for teaching distance fee-based courses is something all colleges and universities would like to agree on. What is also clear, is there exists a large number of highly qualified instructors with terminal academic credentials that can be engaged if sufficient incentive for tenure or tenure-track faculty cannot be found. The implications of this latter approach are perhaps the beginnings of something yet to be clearly envisioned.

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