

# Salary Planning and Position Control Performance Blueprint

---

## Highlights

---

- ***Provides higher education institutions with performance management frameworks that report on current trends in compensation and salary and forecast future needs.***
- ***Enables splitting of payroll accounts to facilitate budgetary analysis.***
- ***Allows institutions to track oftentimes complex divisions and spending of grants and endowments.***

Higher education institutions strive to provide their students with quality instruction. So it is essential to recruit and retain highly skilled faculty. This means offering competitive salaries and benefits, research support and resources, and quality working conditions.

Given population trends and societal views on aging, universities and colleges need to be more competitive in the international labor market and offer superior career opportunities to attract and retain the best young academics. At the same time, they must address the issues of employee turnover and retirement. Recruitment and retention are important as institutions face faculty turnover, but they have become increasingly critical as a sizeable proportion of faculty members are aging and nearing retirement.

Higher education institutions are finding it more and more difficult to fill positions at both the entry level of the academic salary range (associate lecturer) and at the top end (professor). Compounding the issue is the reduction in financial support to public institutions from both state and federal governments.

Clearly, understanding and optimizing academic compensation is crucial if an institution is to continue to offer competitive salaries and recruit and retain high-quality academics.

### **Higher education performance management**

For most universities and many colleges, keeping track of academic salaries can be complex. Compensation typically comes from a variety of sources: a base salary is usually supplemented by endowments, research grants, and remuneration for additional responsibilities such as being the faculty chair.

To meet the challenge, institutions require better visibility into salaries and compensation. Most of this data is available in existing systems (HR and ERP systems). But it is typically not readily available for analysis and reporting. Indeed, the many funding sources and rules applied to each make it difficult to gain a global view of the total cost of an individual or the full compensation they are receiving.

The *IBM Cognos® Salary Planning and Position Control Blueprint* provides a performance management framework—

## Salary Planning and Position Control Performance Blueprint

including planning, metrics, and reporting—that offers comprehensive insight into compensation planning. The *Blueprint* helps you analyze current salaries and benefits, and forecast future needs:

- Understand the total cost of individual instructors including all benefits and lump sum payments.
- Understand how individuals are funded, and when funding sources are going to change or run out.
- Do scenario planning for funding sources to gain insight into where funding will come from in the future or which funding streams need to be replaced and when.
- Understand how budgeted salaries are split among multiple payroll accounts.
- Plan for instructor demand based on course and curriculum requirements.

### Compensation planning

Basic compensation planning requires institutions to track base salary, merit increases, and dates applied. In effect, you need to understand the total cost of the individual including all benefits, payments, and fringe benefits. Tenure status—tenured professor, tenure-track professor, lecturer, teaching assistant—also has to be tracked.

Budgeted salaries may also be split among multiple payroll accounts. For example, if a faculty member teaches outside the primary department, the secondary department would need to pick up that portion of the individual's salary. In this case, institutions need to understand how a person shared between departments is budgeted, tracked, and reported on.

In addition, extra pay from university funds—whether from the university's general fund or contracts and grants—has to be monitored, since it may be restricted in various ways. For example, extra pay may be limited to a given amount (e.g., 20 percent) of the person's base salary for the period. Alternatively, the total amount of time devoted to outside work might not be allowed to exceed an average of one day a week for the payroll period.

### Accounting for grants and endowments

Higher education institutions may have hundreds or thousands of grants and endowments to draw from to supplement academic salaries. In many instances, compensation drawn from these grants can replace direct costs from the institution's general fund.

The rules on how to apply this funding can vary greatly. Individual grants often have restrictions on how much can be drawn down and what it can be spent on. Salaries paid from the grant are typically capped, as is the total amount that can be applied to salaries. Grants can also expire, such that no additional funding is available past a given date.

Rules or restrictions may also need to be applied. For example, faculty members who work part-time on projects supported by endowments and grants should receive general fund salaries only for the portion of time devoted to regular university instruction and research.

College_Department_(Hidden)	Existing Employee Information	Input - Existing Changes	Input - Additional Compensation	
Arts & Humanities	CUNNINGHAM, LARA M	FLETCHER, JENNIFER G	GUPPY, ROSE MARIE	JOHNSON, MARIE
Employee #	36700	57800	54600	50011
Salary	85,000.00	90,000.00	87,500.00	91,500.00
Position	Associate Professor	Full Professor	Associate Professor	Full Professor
FTE%	100.00%	100.00%	75.00%	100.00%
Contract Start Date	Sep_CY	Sep_CY	Sep_CY	Sep_CY
Contract End Date	Aug_NY	Aug_NY	Aug_NY	Aug_NY
Primary College	Arts & Humanities	Arts & Humanities	Arts & Humanities	Arts & Humanities
Primary Dept	1002	1004	1003	1002
Primary Department Name	History	Humanities	Art History	Anthropology
Research Group	Civil War Historical Society			
Primary Dept%	50.00%	30.00%	100.00%	25.00%
2nd Dept	1004	2002		1002
2nd Dept Name	Humanities	Finance		Humanities
2nd College	Arts & Humanities	Business		Arts & Humanities
2nd Dept%	50.00%	70.00%	0.00%	0.00%
3rd Dept				
3rd Dept Name				
3rd College				
3rd Dept%	0.00%	0.00%	0.00%	0.00%
<b>Warning Message</b>				<b>Input a % for Department</b>
Tenure Status	Tenure Track	Tenure	Tenure Track	Non-Tenure
Campus	Minneapolis, MN	Minneapolis, MN	Minneapolis, MN	Minneapolis, MN
Health Plan	Individual + 1	Family Plan	Individual Plan	
Dependents Eligible	0	0	1	1

The *Blueprint* lets you analyze current salaries, benefits, and tenure status of all faculty.

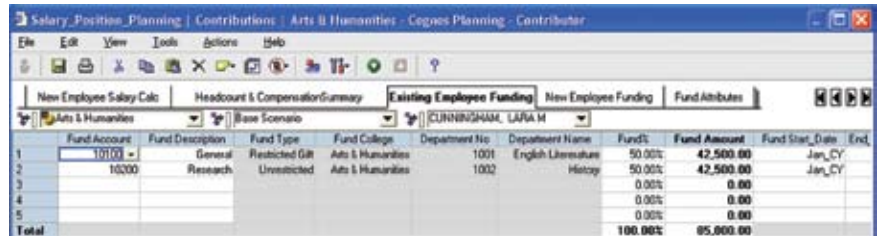
## Salary Planning and Position Control Performance Blueprint

This is a value-added activity for the university. When externally funded, the instructor's normal salary is reduced by the amount compensated by the contract or grant. In most cases, the portion of faculty salary paid by the endowment reduces the amount of time the individual works on state funds.

However, this is not the case for certain types of training grants, where a faculty member administers the grant but the main beneficiaries are graduate students. Nor is this the case for some research or publishing activity, where academics have reduced teaching loads but are paid through state funds.

As well, faculty may be granted or given special assignments. A common example is a reduced teaching load for undertaking a special assignment such as departmental chair. Alternatively, instructors may be given summer support, so their teaching load remains the same during the academic year.

Accounting for grants and endowments can be complex. In all cases, better visibility and effective compensation planning is critical if higher education institutions are to manage the process effectively.



Fund Account	Fund Description	Fund Type	Fund College	Department No.	Department Name	Fund%	Fund Amount	Fund Start Date	End
10100	General	Restricted Gift	Arts & Humanities	1001	English Literature	50.00%	42,500.00	Jan_CY	
10200	Research	Unrestricted	Arts & Humanities	1002	History	50.00%	42,500.00	Jan_CY	
						0.00%	0.00		
						0.00%	0.00		
						0.00%	0.00		
<b>Total</b>						<b>100.00%</b>	<b>85,000.00</b>		

The Blueprint allows you to track funding sources and percentage of grants and endowments for each faculty member.

### Summary

Salary and compensation planning is a key activity for institutes of higher learning. It is critical for recruiting and retaining skilled and qualified academics.

The *IBM Cognos Salary Planning and Position Control Blueprint* helps you improve insight in this area, so you

are better able to analyze salaries and benefits, total cost of faculty, and funding sources. With scenario planning, you can extend the reach and meet instructor demand based on curriculum needs. Just as important, you can forecast and adopt new strategies to address funding needs today and ensure it continues into the future.

### **About the IBM Cognos Innovation Center for Performance Management**

The IBM Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos solutions customers, academics, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

### **About IBM Cognos BI and Performance Management**

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: [www.ibm.com/cognos](http://www.ibm.com/cognos)

#### **Request a call**

To request a call or to ask a question, go to [www.ibm.com/cognos/contactus](http://www.ibm.com/cognos/contactus).

An IBM Cognos representative will respond to your enquiry within two business days.



© Copyright IBM Corporation 2009

IBM Canada  
3755 Riverside Drive  
Ottawa, ON, Canada K1G 4K9

Produced in Canada  
April 2009  
All Rights Reserved.

IBM, the IBM logo and [ibm.com](http://ibm.com) are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (\* or ™), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at “Copyright and trademark information” at [www.ibm.com/legal/copytrade.shtml](http://www.ibm.com/legal/copytrade.shtml).

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.

Any reference in this information to non-IBM Web sites are provided for convenience only and do not in any manner serve as an endorsement of those Web sites. The materials at those Web sites are not part of the materials for this IBM product and use of those Web sites is at your own risk.