The Office of Academic Affairs
2010 Annual Merit Compensation Process
Transparency Document

Purpose. The purpose of the Annual Merit Compensation Process is to distribute the new dollars received in a way that best recognizes individual contributions to the university and Office of Academic Affairs during the previous year.

Special challenges. The Office of Academic faces a special challenge in recognizing performance because of its critical role in The Ohio State University’s success. That leadership role calls on OAA to find and retain outstanding staff, all of whom, by definition, perform at a high level. For the 2010 Annual Merit Compensation Process, OAA received new funding equal to a 2.5% aggregate salary average increase. This means that the total funds available to recognize OAA staff performance can be no more than 2.5% of the staff members’ aggregated salaries.

Guiding principles. With that constraint in mind, in determining annual merit compensation increases, OAA is guided by the following principles:

- **Performance is the primary determinant in the annual process.** Information on performance is provided by the employee and supervisor in the form of annual evaluations. Additional performance information for salary decisions is gathered, as appropriate, from other sources.
- **Equity is a second factor in salary decisions.** Equity patterns for all positions are examined by OAA on a regular basis. Unit heads can allocate a portion of the 2.5% aggregate funding as equity increases.
- **Impact is the final factor in salary decisions.** The provost prioritizes and distributes resources to individuals who have had the greatest effect on the achievement of institutional goals.
- **OAA’s process is further guided by the “Compensation Philosophy, Objectives, Strategies and Principles” white paper.**

The 2010 Annual Merit Compensation process. Here is how the 2010 Annual Merit Compensation Process will work:

- In May and June staff members and their supervisors participated in the annual performance review process. This participation will serve as the basis for merit pay decisions.
- In early August, supervisors will be asked to provide salary recommendations for their direct reports. The guidelines they receive will be as follows:
  - “The university target is 2.5%. If you would like to recommend anything above 3.0% or below 1% you will be required to provide written justification. Your decisions need to be based on merit and equity.... Please remember that these are only recommendations until the Provost has had a chance to review all of OAA in totality.”
• The supervisors’ recommendations will be aggregated and reviewed. Adjustments to the recommendations will be based on a comparison of how the supervisors arrived at their recommendations.
• Final adjustments will be made within OAA Administration and forwarded to the Office of Human Resources for final review and approval.
• Upon receipt of final approval, OAA will notify supervisors of the approved final salary for each of their direct reports.
• Individual salary letters will be prepared and distributed to each staff member.

In 2010 units are not permitted the use of one-time cash payment “bonuses”.

Additional information on the salary process guidelines at the university level can be found by consulting http://hr.osu.edu or by contacting your human resource professional.