

Date: April 26, 2023

Compiled by: The Provost and Academic Senate Joint Task Force on Annual/Merit Review

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Annual/Merit Review Task Force Final Report: 2021-2023

Context:

This task force was convened by the Provost's Office and the Academic Senate to "perform a broad survey of faculty merit/annual review processes at each school to identify both common practices and heterogeneity of the merit processes; catalog effective practices; and make recommendations to improve merit review at USC" (for full charge, see Appendix A). As the charge indicates, merit review has been a source of some conflict and concern for some time; in the course of the past two years, we have heard from at least eight schools and programs seeking of their own volition to study and revise their processes, with many of them anxiously awaiting the findings and recommendations of the task force.

Generalized challenges of assessing faculty performance, particularly concerns about consistency and fairness, were also exacerbated by the complications of the pandemic, primarily the pause of merit raises (and retirement matching) in FY 2021, which negatively affected faculty morale. In some cases, faculty were frustrated by having to compile/create merit review materials that could not, because of the freeze, have any impact on their salaries. When merit raises were reinstated, there was some confusion about how to document and assess productivity during the pandemic. The Faculty Environment and Employment Committee (FEEC)'s survey of junior faculty, undertaken in 2021-2022 listed "overhaul the merit review processes" as one of its three key recommendations, meant to address what they called in their final report "perceived shortcomings in university compensation and support systems."

In February of 2022, as a response to an open letter signed by over 900 USC faculty and supported by the AAUP, the Academic Senate voted to recommend Cost of Living Adjustments (COLAs) to faculty salaries. Though this recommendation has since been rejected, it is important to note this context because the desire for COLAs came up frequently in our data-gathering and conversations with colleagues across the university. Much of the frustration with merit review seems to stem from the fact that merit raises are the only pay increases available; even when faculty earn the highest merit rating and that translates into the highest merit raise, the buying power of their salaries is likely to decrease over time with the rising cost of living.

The following month, in March of 2022, President Folt shared the university's long-term plan to increase faculty and staff compensation, which includes a commitment to "address compensation inequities and systematically raise salaries to be competitive in one of the country's most expensive job markets" (see Appendix E). We appreciate the administration's commitment to this goal, and see this report, and its recommendations, as one part of that

process. That being said, it is clear, as President Folt’s email stated, that performance-based (i.e. merit) increases are just one segment of a range of approaches to achieving these outcomes, which also include equity and market adjustments and promotional increases. Our recommendations are focused on the salary pools designated specifically for merit increases, with the understanding that those will be supplemented by additional funds for other adjustments and increases. It is also our understanding that a significant portion of the \$700 million allocated toward the university’s recent investment in faculty and staff compensation will be distributed through merit-based compensation, and therefore that transparency around and fairness within this process is of the utmost importance.

Methodology:

- **Qualitative Data-Gathering**

In Spring 2022, using section B from Appendix B as a guide, we developed a series of questions to answer (see Appendix C). Each member investigated the situation at their respective school, and sometimes one other, using a range of methodologies they identified as effective for their particular context. These included: reviewing survey data collected by the faculty council (Dornsife), initiating a faculty survey (Viterbi ITP), reaching out to faculty council leaders and members (Keck, Price, SCA, SDA, Gould, Architecture), holding targeted interviews with interested/expert parties (SCA, SDA, Marshall, Annenberg, Roski, Thornton, Pharmacy, Davis, Kaufman), and drawing on task force members’ significant personal experience with the process (Rossier, Marshall, Annenberg, Gould, Ostrow, Dworak-Peck, Occupational Therapy). It is important to note, however, that in many schools, especially larger schools, experiences vary greatly and practices and attitudes from many of the areas/departments may not have been captured in the data collection process.

- **Review of Responses to a Joint Memo from the Provost/Academic Senate**

In Fall 2022, the task force initiated and received responses to a memo that requested mean, median, mode merit review scores for each department, program, or division in each school and communications sent from the school about how salary adjustments are determined and how merit review scores in particular relate to fixed salary percentage increases. (See Appendix D for the full text of that memo.)

- **Analysis of Relevant Results of Full Faculty FEEC survey**

The FEEC distributed a survey in April 2022 that included a few key questions about merit review. The results of the responses to the key questions, along with the analysis provided by that committee in their report to the Academic Senate that same year, were integrated into our key findings.

Key Findings:

- **Lack of Clarity/Transparency about the Process, especially its Relationship to Raises**

Unsurprisingly, lack of clarity about the process was a significant issue for the schools that indicated that the merit review process wasn’t effective (a majority) as a response to our qualitative-gathering process. However, there seemed to be at least some confusion about the process across the board – even at schools that indicated a more positive response to merit

review – and universal confusion about the relationship between merit scores and merit raises. Unlike many other questions, when various methodologies seemed to yield fairly confident results, responses to the question about salary increases were often vague and tentative. In many cases, task force members noted that even if merit review scores were linked to salary increases, the differentials in raises assigned to different scores were perceived as so minimal that it doesn't seem worth it to many faculty to invest in the process. The lack of clarity was overwhelmingly attributed to a lack of transparency from administration about the actual assignment of scores and what happens after the scores are assigned in terms of salary determination.

The lack of transparency was illustrated most clearly by the responses to the Provost/Academic Senate memo to academic deans. Only three schools (SCA, Rossier, and Marshall) indicated that they tell faculty directly how their merit score is related to their raise. This was particularly striking, given that seven schools shared that the scores are, indeed, directly linked, and four others illustrated that they are at least correlated or aligned to a range of percentage increases. This essentially means that in a majority of schools, merit scores are indeed determining merit raises, but the faculty are either not being alerted to this fact, or simply do not believe it, and therefore do not see the value of the process in terms of their salaries.

- **Feedback and a Lack of Professional Development Application**

Some of the lack of transparency is a result of the lack of feedback provided after faculty submit merit review materials. Feedback from the process can be divided into three main categories: the actual score, some kind of written or verbal feedback that is used to justify the score, and meaningful professional development suggestions or support triggered by the process. There is, again, some variety across and within schools as to whether and how faculty receive the first two kinds of feedback (the score and justification); most schools do provide some kind of basic feedback. However, Viterbi (ITP) and Annenberg (Journalism) were the only schools where faculty saw merit review as a useful component of their professional development. The FEEC report put a finer point on this issue, asserting that “multiple respondents noted a disproportionate investment of time and labor to produce merit review files for only a modest impact on salary and no meaningful career mentorship/feedback.”

- **Concerns about Fairness and Subjectivity**

There were persistent concerns about fairness in the merit review process, stemming in part from the inherent subjectivity of the process. Concerns found in our data-gathering, which were echoed in the FEEC's report, included:

- The under- or over-representation of certain parts of faculty's loads.
- The under-valuation of certain kinds of work.
- Committee and/or administrative bias, specifically that merit scores are based on some other metric outside of the materials provided by faculty.

The difficulty of assessing teaching emerged as a related issue, and concerns about assessing teaching through heavy reliance on student evaluations were found across the schools; the FEEC survey noted this as a particular issue in their report as well, with faculty worried about the subjectivity and fairness of those measures specifically.

- **Lack of Faculty Buy-In**

Finally, based on the previous bullets, there seems to be a persistent lack of faculty buy-in to the process of merit review, even in schools, like Viterbi ITP, where the process appears to be working rather smoothly. The lack of buy-in is often more pronounced among certain groups of faculty (tenured, tenure-track, RTPC) but that variety of investment is not necessarily consistent across schools; in other words, in some places tenure-track faculty feel more invested, while in other schools RTPC faculty do. That said, more senior faculty generally feel less invested in the process. As mentioned above, many faculty feel that the fairly small annual salary increases are not worth the time and work required to complete annual/merit review, whether or not that review is explicitly tied to those increases. The FEEC report indicates that “respondents repeatedly describe a process that is burdensome and, in its imposition of additional demands on faculty who already feel overworked, one that contributes to burnout.”

Recommendations:

(1) Improve Transparency and Communication about Individual Scores and the Overall Process/Outcomes:

- (a) All faculty should have access to a document that details the policies and processes around merit review in their unit, including information about how scores are determined and by whom, policies around distributions of scores, the relationship between scores and raises, and any assessment materials.
- (b) Faculty should be made aware (in writing) of (1) their merit score, (2) the pay increase they are receiving as a result of said merit score, (3) the other contributing factors to their salary increase (equity adjustments, market adjustments, promotion, etc.) and what part of their salary increase is linked to those other factors.
- (c) Faculty should receive written actionable feedback along with their score.
- (d) In addition to their own personal information, faculty should have access to distribution of scores and raises across their school/department/program in order to build trust and confidence in the system.

(2) Directly and Universally Tie Merit Pay Increases to Merit Scores within a Given Unit (school, department, or program):

- (a) Deans should continue to have flexibility in assigning the other components of annual increases.
- (b) Merit pools should be as large as possible so that faculty see the monetary value of the merit review process.

(3) Ensure Fairness and Equity in the Process of Assigning Scores and Salary Adjustments:

- (a) While the task force supports the current expectation that each department/program/school exhibit a range of merit review scores each year, the requirement of a representation of five different distinct scores can feel

arbitrary to faculty and does not work in every situation. Toward that end, we suggest narrowing that requirement to three categories (exceeds expectations, meets expectations, does not meet expectations), with the understanding that in some cases more than three might be useful/necessary.

- (b) Likewise, while there should continue to be an expectation that there will be a distribution of scores, a bell curve should not be the goal. The range of scores in any particular unit should reflect the quality of the materials submitted, not any expectation that scores will fall uniformly along a bell curve.
- (c) Deans should be reminded of their ability to split salary pools, including the merit pool, and assign salary increases in different ways (percentages vs. flat dollar amounts, for example). Many schools have developed creative ways to use the merit pools, and these approaches should be shared across schools (and with faculty) to determine the most equitable approaches in each context.

(4) Involve Faculty in the Development of Merit Review Processes:

- (a) The merit review process, including what materials are required and who is assessing them, should be developed with faculty input at each school/program/department, and revisited as necessary.
- (b) Rubrics/assessment materials should also be developed with faculty input and made available to faculty while they are preparing their application materials.
- (c) Every effort should be made to make this process as simple and direct as possible, while retaining the integrity of the process.

**Appendix A:
Task Force Original Charge**

This committee will perform a broad survey of faculty merit/annual review processes at each school to identify both common practices and heterogeneity of the merit processes; catalog effective practices; and make recommendations to improve merit review at USC. The questions guiding the work of this committee include:

1. What are the intended purposes of the faculty annual/merit review process?
2. Does the process in place at each school meet the intended purpose(s) and goal(s) for the review for each track and rank?
3. What is the role of the annual/merit review process in helping faculty in each track and rank identify areas of professional strength and areas for improvement? How are merit/annual review processes aligned with promotion preparation and mentoring?
4. What kind of materials are compiled or developed by faculty as part of the annual/merit review for each track and rank? Do materials developed for the review by faculty align with or reflect their effort profiles?
5. What is the role, if any, of course learning evaluations and faculty peer teaching evaluations?
6. Should annual review be linked to merit pay increases?
7. Is the annual review process effective in supporting the continued productivity of more senior faculty?
8. Are there any pockets of USC where faculty consider the annual review process to be unusually counter-productive (measuring the wrong things and not measuring things that should matter)?
9. How should annual review assess service contributions for each track and rank?

Note from [Tracy Tambascia](#): We intend for this committee to focus on policy, practice and processes, not the issue of compensation itself and whether merit raises or COLA should be provided by the university, and how much. We do ask whether annual review and merit raises should be coupled (#6 in the charge).

Appendix B:
Task Force Approach to the Charge
Italics = Additions/New Language

- A. General advisory issues:
1. What *should be the* intended purposes of the faculty annual/merit review process?
 2. Should annual review be linked to merit pay increases, and if so, how?
- B. Issues that require info gathering from other faculty:
1. What is the role of the annual/merit review process in helping faculty in each track and rank identify areas of professional strength and areas for improvement?
 2. Is the annual review process effective in supporting the continued productivity of more senior faculty?
 3. Are there any pockets of USC where faculty consider the annual review process to be unusually counter-productive (measuring the wrong things and not measuring things that should matter)?
- C. Process issues (that can be determined by documentation from the Provost's office and/or documents that could be gathered from each school's admin):
1. Does the process in place at each school meet the intended purpose(s) and goal(s) for the review for each track and rank?
 2. How are merit/annual review processes aligned with promotion preparation and mentoring?
 3. What kind of materials are compiled or developed by faculty as part of the annual/merit review for each track and rank?
 4. Do materials developed for the review by faculty align with or reflect their effort profiles?
 5. *Who assesses the files and determines the rank? Is this done by other faculty and/or supervisors and/or administrators?*
 6. What is the role, if any, of course learning evaluations and faculty peer teaching evaluations?
 7. How *does* annual review assess service contributions for each track and rank?* (In the original charge this read as "should.")
 8. *Is there a requirement that there be a bell curve and/or limits to the percentage of people at every rank?*

**Appendix C:
Qualitative Data Gathering Prompts/Questions**

1. What is the role of the annual/merit review process in helping faculty in each track and rank identify areas of professional strength and areas for improvement?
 - a. Do merit review committees/chairs/faculty councils provide feedback to faculty members about their merit review materials and are faculty members made aware of their score/rank?
 - b. What is the relationship between the merit review process and the promotion/tenure/renewal process?
 - c. Is the annual review process effective in supporting the continued productivity of more senior faculty?

2. Do faculty feel that merit review is measuring the right things / measuring things that should matter, and is it doing so in an effective way?
 - a. How is research/teaching/service being represented and assessed? Is that working well or could it be better?
 - b. Does the merit review process accurately and appropriately assess various loads, or does it over- or under-emphasize certain components?
 - c. To what extent is merit review tied to raises?

**Appendix D:
Memo from the Provost and Academic Senate Requesting Merit Review Data**

From: Executive Vice Provost <vpafa@usc.edu>
Sent: Monday, October 24, 2022 10:58 AM
To: Executive Vice Provost <vpafa@usc.edu>
Cc: Daniel Pecchenino <dpecchen@usc.edu>
Subject: Merit Review

Dear Academic Deans,

We hope this letter finds you well. As you may know, last year the Academic Senate and the Office of the Executive Vice Provost co-convened a task force examining merit review practices across the university. You can find its complete charge [here](#), but essentially the group is trying to assess different understandings and applications of merit review processes and standards across the schools, including how scores are awarded and the connection those scores have to compensation adjustments. In order to complete their work this Fall, the task force needs the following information from each school:

- Mean, median, and mode merit review scores for each department, program, or division (whichever makes the most sense for your school's structure and the level of autonomy granted for determining merit review scores)
- Any communications sent from the school administration to faculty, chairs, program heads, and or division chiefs pertaining to how salary adjustments are determined (i.e. merit vs. equity vs. promotion distinction)
- Any communications that explain how merit review scores in particular relate to fixed salary percentage increases

Assessing faculty work is critical for helping us maintain and reward excellence in research, teaching, and service. We are committed to merit review practices that are fair, thorough, and useful to both the faculty and the university. Your help in providing the above information is essential to ensuring this is the case. We ask that you email this information to the Merit Review Task Force co-chairs, Jessica Cantiello (cantiell@usc.edu) and Larry Picus (lpicus@rossier.usc.edu) by **Thursday, November 3**.

Thank you for your help and support.

Sincerely,

Elizabeth Graddy

Dan Pecchenino

Appendix E:

Email from President Folt, sent 3/29/2022, subject: "Investing in Our Faculty and Staff"

Dear Trojan faculty and staff,

Greetings. It is wonderful to see everyone back not only from spring break but from nearly two years of COVID restrictions. As we look ahead, there will be many opportunities to take what we have learned and apply it in new and creative ways. It is also a moment of taking stock, and I write today to provide an overview of our plans for compensation over the next few years.

Our university truly pulled together – undertaking extensive and unprecedented health and safety measures, among the best in the nation. We all are deeply grateful to our staff, faculty, and students who were on the clinical frontlines caring for our communities. They administered more than one million COVID tests and vaccinated our students, employees, and patients, as well as 1.5 million people from all over Los Angeles. Together, we continued our outstanding clinical, academic, and research programs, increased our financial aid where possible, bolstered wellness and mental health programs, expanded community partnerships, and so much more.

The extra costs associated with managing all of this have been extensive, currently estimated at nearly \$1.2 billion in extra costs and lost revenues in FY 2020, 2021, 2022, alone. Such a budget impact needed an unprecedented response. Yet, I am thankful to say that today, USC was successful in meeting these challenges.

We persevered because everyone worked hard and sacrificed – stepping up to ensure the work got done and the services were delivered, forgoing FY 21 salary increases, and not receiving a portion of USC's contributions to retirement for a year. We delayed investing in some major capital projects, reduced hiring, and used virtually all unit-level discretionary funds to cover essential services and emergency needs. These savings, together with good budget management, federal relief funds, philanthropy, and other revenues, protected countless jobs, kept us going, and allowed us to continue planning for the future.

As a result, we now are able to enact our long-term plans for increasing faculty and staff compensation. We also are close to finalizing guidelines for more flexible hybrid and remote work options.

Our plan is to invest more than \$700 million over the next five years to support performance-based salary increases, related employee benefits, and market adjustments. We have allocated \$150 million to cover the first year of this plan. Our strategy is to bolster the excellence and innovation of our academic programs, strengthen our workforce, retain critical talent, ensure our job descriptions describe current roles and responsibilities, address compensation inequities, and systematically raise salaries to be competitive in one of the country's most expensive job markets.

All employees will benefit from this plan. For hourly workers, whose work has been so essential to maintaining our operations and our safety, we will progressively boost entry-level wages so they exceed the minimum wage set here in Los Angeles. We will continue to raise the floor for

all RTPC and tenure-track faculty salaries. This year's increase will be the largest of the last four years of improvements in faculty compensation. Our minimum graduate student stipend rate will increase substantially, as well, and the Resident Assistants were given a boost last year that will be retained.

Careful planning across all schools and units has gone into this initiative. This is a top priority for all of us. Funding will come from continued growth in the university's educational, research, clinical health care, and commercial enterprises. In addition to revenue growth, the university will need to continue reducing operating costs and increasing efficiencies across the institution.

While I am focusing on faculty and staff compensation today, I want you to know that we also remain committed to increasing affordability and accessibility and will continue to steadily increase our financial aid pool for both graduate and undergraduate students.

The process for determining individual salaries has already begun in the schools and major divisional administrative units. Adjustments will start in the upcoming fiscal year, and continue over the next five years, as we build the resources to expand financial support for the entire USC workforce.

Thank you and Fight On!