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August 31, 2007

Regent Judith L. Hopkinson, Co-Chair, Committee for Review of Job Slotting Methodology
Executive Vice President Bruce B. Darling, Co-Chair, Committee for Review of Job Slotting Methodology

Re: Advice to the Advisory Committee for Review of Interim Job Slotting Process

Dear Judith and Bruce:

Thank you for your letter of August 10, 2007, requesting the input of the Academic Senate on the proposed process and factors currently being considered by your committee for the approval of senior management salary actions. The Academic Council appreciates working with The Regents to fashion a compensation system that reflects and adapts to changing market realities even as it also adheres to the core values of a public research university. I have consulted with the Academic Council via both email and a teleconference that was fully attended. Council constituted a small work group to craft a response based on the discussion that took place. The draft was circulated to Council members for comment and consensus-building. The present letter represents the consensus view of the Academic Council.

Please note that Council members have seen a draft response to your request from the Council of Vice Chancellors (COVC) and we fully endorse their views. We use this letter to emphasize some observations of the Executive Vice Chancellors and to add others. Like the COVC, we support your efforts to rationalize the processes for deciding salaries for senior managers on the ten UC campuses. We agree about the need to delegate decision making to the President and campuses, as appropriate.

Concerning the criteria that should be used in slotting the job (not the campus), I have summarized Council's responses in the appended table.

One of our key concerns relates to the articulation of "Academic Prominence" as a defining metric and as one for ranking campuses for compensation purposes. The COVCs have addressed this point well; we add "All UC campuses aspire to the highest standards of excellence and should be supported appropriately to attain to them." There is no reputational standard that would be appropriate for use in differentiating compensation for similar positions by campus.

The compensation criterion “performance” is conspicuously absent; the COVCs refer to it as “individual quality”. The Academic Council believes strongly that UC should anchor Senior Leadership compensation to performance indicators, qualitative and quantitative. “Titrating” compensation based on regular administrative performance review would ensure that senior management compensation is performance-based – consistent with UC’s step-and-rank system of ongoing academic performance review. A job-slotting system linked to executive performance should allow for salaries to remain stagnant, be decreased, or be increased based on predefined and individualized performance indicators.

Council offers the following insights for consideration by The Regents as they move to finalize reforms in compensation processes and criteria.

1. The qualifications of the candidate should be a key metric for assignment to a compensation band. This strategy would allow a campus to hire the very best person necessary to increase the "academic prominence" of a unit.
2. An outside consulting group with apparently minimal or no academic sensibilities or insights into the recruitment of academic leaders, however otherwise capable, should not be used to evaluate and recommend the placement of each position in each Band (or Zone — a concept, by the way, that should be dropped). This lack of expertise can be illustrated by a simple example: at UC Irvine, the Dean of Engineering has been slotted lower than the Dean of Humanities even though the reality of the job market dictates that it will probably be more expensive to hire a Dean of Engineering versus Humanities (as ongoing searches are demonstrating). The Academic Council is increasingly alarmed by the escalating use of consultants in general, which expends scarce resources that should directly support the academic mission of UC and ignores expertise resident among faculty and staff.

Table summarizing Council’s comments (red font indicates metrics suggested by Council)

Metric	Senate Comment
SIZE	Range of responsibilities more relevant than size of campus – the latter being predicated on the existing resource base of the campus. We should not overly privilege history of funding (campuses trying to ascend to high prominence today have to cope with a more constrained resource picture than say 20 or even 10 years ago).
COMPLEXITY/DIFFICULTY	Environmental challenges should be given greater weight. Building up a program would be more demanding on a growing campus than a mature campus with established infrastructure. The difficulty of a senior manager’s job is inversely correlated with things like the preexisting prominence of the campus at which the executive works and the resource base of that campus. Also, “difficulty” includes the number of different functions/duties performed by a senior manager ... and performed well.

ACADEMIC PROMINENCE	Poorly defined by media organizations and journalists using questionable methodology. Questioned by academicians.
IMPACT ON MISSION OR STRATEGIC PLAN	
STRATEGIC PRIORITIZATION	
INTERNAL COMPARABILITY	
PERFORMANCE INDICATORS	Link compensation level to ongoing assessment of performance
LOCATION	Reflect local cost of living in assignment to compensation band

Sincerely,



John B. Oakley, Chair
Academic Council

Copy: Academic Council
María Bertero-Barceló, Executive Director