ABSTRACT: 2014 ELAM Institutional Action Project Poster Symposium

Project Title: Faculty Compensation Programs at the University of Michigan: Mission alignment and Impact on Job Satisfaction

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Background, Challenge and Opportunity: With the changes in health care reimbursement, declining NIH dollars and an increasing emphasis on "value", quality, and efficiency, how resources are allocated at academic medical centers will determine survival and future success. Faculty compensation is a major budget allocation. Compensation impacts faculty satisfaction, time spent teaching, providing patient care, and performing research; all vital to the mission of the institution. Most departments at the University of Michigan use a blended compensation model consisting of base salary by rank and then varying degrees of guaranteed salary and bonus. The programs are very diverse in complexity and transparency.

Purpose/Objectives: The purpose of my project is to: 1. Assess the differences and similarities in six compensation programs, 2. Compare the faculty compensation plan to job satisfaction and 3. Determine if the salary programs are aligned with Health Care System's mission in rewarding teaching, research, and safe, quality patient care. From this analysis I will determine common themes and best practices to develop a blueprint for a successful compensation program.

Methods/Approach: A questionnaire was developed after review of the literature and consultations with the Director of our Faculty Group Practice and Dean. The questionnaire consisted of 20 questions including: Compensation Program's objectives and goals, who developed the program, metrics used for base compensation and bonus, percent of salary at risk, benchmarks use to establish program, tracking and use of teaching and patient care metrics, citizenship evaluation, annual reviews etc. One-on-one interviews were conducted with the Department Chairs and the Department Administrators to revue written answers. A written copy of the Department's compensation plan and examples of a faculty profile was obtained. Analysis of data is currently underway. Evaluation of individual faculty perception and satisfaction with their compensation program and overall job satisfaction is being assessed in two ways. First, a 10 question survey covering understanding and satisfaction with the salary program and overall job satisfaction will be given to faculty in the six clinical departments before June 2014 via Survey Monkey. Second, the institutional faculty survey from 2013 will be reviewed by department for overall job satisfaction, satisfaction with compensation, and satisfaction with other resource allocation.

Outcomes and Evaluation Strategy: Once the analysis is complete, the information will be presented to the Executive Board of our Faculty Group Practice and the Chairs of our Clinical Departments. The data will also be shared with the faculty of the six departments included in the study. Success will be the acceptance and use of a "Blueprint for Compensation Programs" that incorporates our institutional values, quality metrics and other non-RVU targets. Long term success will be the continued alignment of institutional goals and faculty compensation as measured by patient care outcomes, quality benchmarks, student performance and faculty satisfaction.

Faculty Compensation Programs at the University of Michigan
Mission alignment and Impact on Job Satisfaction
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Executive Leadership in Academic Medicine
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Background Challenge

With the changes in health care reimbursement, declining NIH dollars and an increasing emphasis on "value", quality, and efficiency, how resources are allocated at academic medical centers will determine survival and future success. Faculty compensation is a major budget allocation. Compensation impacts faculty satisfaction, time spent teaching, providing patient care, and performing research; all vital to the mission of the institution. Most departments at the University of Michigan use a blended compensation model consisting of base salary by rank and then varying degrees of guaranteed salary and bonus. The programs are very diverse in complexity and transparency.

Purpose/Objectives

The purpose of my project is to:

1. Assess the differences and similarities in six compensation programs,

2. the faculty compensation plan to job satisfaction

3. Determine if the salary programs are aligned with Health Care System's mission in rewarding teaching, research, and safe, quality patient care.

4. Analysis will determine common themes and best practices to develop a blueprint for a successful compensation program.

Methods

A questionnaire was developed after review of the literature and consultations with the Director of our Faculty Group Practice and Dean. The questionnaire consisted of 20 questions including: Compensation Program's objectives and goals, who developed the program, metrics used for base compensation and bonus, percent of salary at risk, benchmarks use to establish program, tracking and use of teaching and patient care metrics, citizenship evaluation, annual reviews etc. One-on-one interviews were conducted with the Department Chairs and the Department Administrators to revue written answers. Evaluation of individual faculty perception and satisfaction with their compensation program and overall job satisfaction is being assessed in two ways. First, a 10 question survey covering understanding and satisfaction with the salary program and overall job satisfaction will be given to faculty in the six clinical departments via Survey Monkey. Second, the institutional faculty survey from 2013 will be reviewed by department for overall job satisfaction, satisfaction with compensation, and satisfaction with other resource allocation.

Outcomes/Evaluation Strategy

DEPARTMENT	Developed with faculty input	RVU/Rank based	Target AAMC Benchmarks	Teaching Tracked and rewarded	> 25% of salary in bonus	Quality Tracked and rewarded	Target adjusted for leaves
A	x	x	x				
B		x	x		x		
C	x	x	x				x
D	x	x	x		x		x
E	x	x	x	x	x		x
F	x	x	x				x

Sample of Department Program Profiles

Discussion

- Programs differed significantly in form and function.
- Most programs involved faculty in development .
- Only one program included "educational " metrics that were defined, measured and compensated.
- None of the programs included "value" or quality metrics in targets or reimbursement strategy.
- For all programs except one, tenure track and clinical track faculty were under one salary program, though faculty had different metrics.
- All programs used the AAMC benchmarks (50th to 75th %)
- Only one program broadly shared revenue data with faculty.

Summary/Conclusion

The analysis will be presented to the Executive Board of our Faculty Group Practice and the Chairs of our Clinical Departments. The data will also be shared with the faculty of the six departments included in the study. Success will be the acceptance and use of a "Blueprint for Compensation Programs" that incorporates our institutional values, quality metrics and other non-RVU targets. Long term success will be the continued alignment of institutional goals and faculty compensation as measured by patient care outcomes, quality benchmarks, student performance and faculty satisfaction.