

2016 Academic Staff Worklife Survey Report

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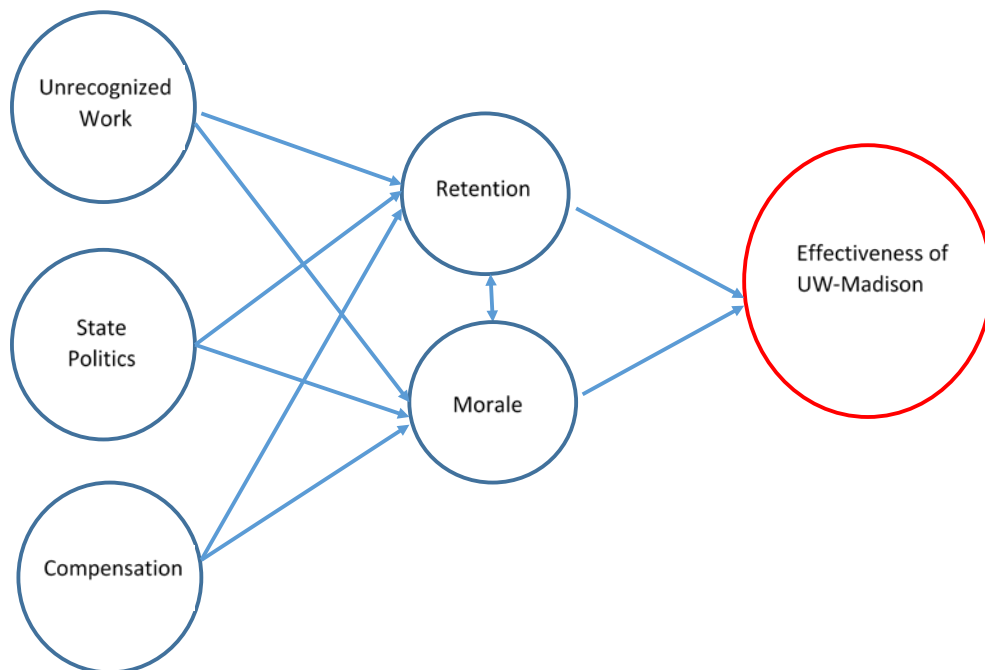
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Executive Summary

Academic Staff (AS) governance is continually interested in the overall well-being of the academic staff at UW-Madison and their working environment. In order to assess worklife balance and identify factors that contribute to a positive workplace environment, the AS were surveyed in Spring 2016 using a nearly identical instrument to the Faculty Worklife survey created by the Women in Science and Engineering Leadership Institute (WISELI). The survey was sent to 7,082 AS and limited employees with AS governance rights in May 2016. 2,350 filled out the survey, with 1,873 responses being substantially complete, for a response rate of 26.4%. Many respondents gave thoughtful and lengthy responses to the survey's open-ended questions. Throughout the report, we have included direct quotations from respondents for additional context, which can be found in bolded block quotes. See Appendix 1 for more details about the survey.

The AS Worklife survey covered a wide variety of topics, but high turnover and low morale stood out as issues that threaten the effectiveness of UW-Madison. As we were preparing this report, the NSF released its 2015 rankings of institutions by research expenditures,¹ showing that UW-Madison had dropped out of the top five for the first time since 1972 after having its research expenditures decline by over \$100 million in three years. We are confident high turnover and low morale among academic staff contributed to this decline, and that they have similar effects on all of the missions of the University. Therefore, we fear the decline in UW-Madison's research ranking is a sign of things to come.



The figure above illustrates three major factors that drive retention and morale, which were identified as central issues threatening the effectiveness of UW-Madison.

¹ <https://ncesdata.nsf.gov/profiles/site?method=rankingBySource&ds=herd>

When asked how likely they are to leave UW-Madison in the next three years, only 31% of survey respondents said they were either somewhat or very unlikely to leave. Historical data on academic staff turnover are not publicly available so we cannot say whether current academic staff turnover is unusually high or increasing, but these responses give reason to believe it is or will be soon. High turnover leads to low levels of human capital/institutional memory and a less productive workforce. Given that academic staff are involved in everything the UW-Madison does, high turnover would be expected to decrease the effectiveness of the institution.

The change in satisfaction between the 2003 WISELI AS survey and the 2016 survey is dramatic, especially the change in the percent saying they are very satisfied:

	2003	2016
% Satisfied with being Academic Staff at UW Madison ²	88	69
% Very Satisfied being Academic Staff at UW Madison	47	24
% Satisfied with Career Progression	82	49
% Very Satisfied with Career Progression	39	17

These decreases should be a cause of concern. Research shows that employees with low morale are likely to be less engaged and productive.³ Again, given the importance of academic staff to everything UW-Madison does, low morale would be expected to decrease the effectiveness of the institution.

To solve these problems we need to know what causes them. Three issues stand out in the survey responses, all of which contribute to both high turnover and low morale:

First, 74% of respondents report doing work which is not formally recognized by their department at least sometimes, and those who do more are less likely to be satisfied with being AS at UW-Madison and more likely to leave. Finding ways to recognize all the work academic staff members do could have a significant impact.

Second, many respondents feel that Wisconsin's political leaders do not value the work they do, work they regard as meaningful service to the people of the state. They also fear for the future of UW-Madison. 84% cited budget cuts as a reason they had considered leaving UW-Madison, and 89% said budget cuts had reduced their enthusiasm for working at UW-Madison. The negative effects of the current political environment on AS morale and retention cannot be easily reversed, so University leaders will need to work even harder in other areas to compensate for them.

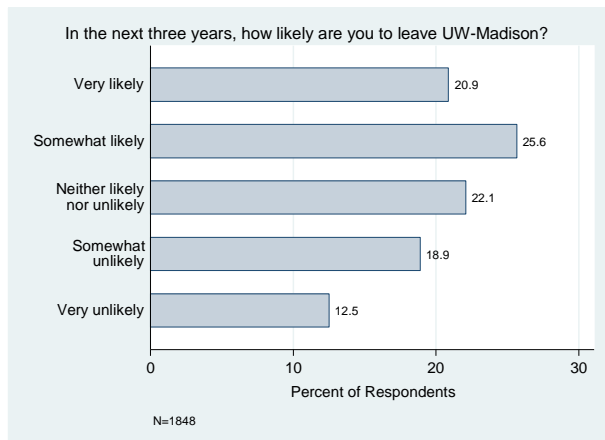
Third, and most important, academic staff are frustrated by their compensation, particularly the way it has declined in recent years. 2011's Act 10 acted as an 8.2% pay cut for the median academic staff member. The near-disappearance of pay plans has allowed the real value of their salaries to be eroded by inflation (the pay plans in the current state budget proposal are still lower than the expected rate of inflation), and out-of-pocket health care costs have been increased repeatedly. The result is lower standards of living now and dismal expectations for the future. The AS Worklife survey results show a strong relationship between satisfaction with salary and both overall satisfaction and probability of leaving UW-Madison. In order to reduce turnover and improve morale, UW-Madison must address compensation boldly enough to change academic staff

² The 2003 survey question actually asked about satisfaction with the respondent's "current job" rather than "being academic staff." See appendix 1 for details and discussion.

³ Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). Psychological Bulletin (<http://search.proquest.com.ezproxy.library.wisc.edu/docview/614359096/fulltextPDF/A281AE201E674F26PQ/4?accountid=465>)

expectations. In the absence of adequate regular state pay plans, addressing compensation boldly will probably require painful budget reallocations and layoffs to make money available for compensation, and some state leaders may oppose increasing faculty and staff compensation. However, it is critical if UW-Madison is to remain the world-class university the people of Wisconsin expect it to be.

High Turnover



One of the most troubling findings of the AS Worklife Survey is that only 31% of respondents said they are unlikely to leave UW-Madison in the next three years. This is broadly consistent with the 2014 Compensation and Economic Benefits Committee (CEBC) survey, in which just 30% of respondents said they were not thinking about leaving, and the 2012 Impact of the Budget Repair Bill (Act 10) survey, in which 43% of respondents said they were not considering leaving. Much attention has been paid to efforts by other universities to recruit UW-Madison faculty, but there is an effort to recruit UW-Madison academic staff as well: 44% of respondents said they have been contacted by another

University or employer about a position elsewhere.

Historical data on academic staff turnover are not publicly available, so we cannot say for sure whether actual academic staff turnover is unusually high or increasing. We might expect turnover to have increased after 2011, given how many of the issues that concerned the survey respondents either began or intensified with the election of Governor Walker; on the other hand, lingering effects of the Great Recession discouraged people from changing jobs until quite recently. However, unemployment is now low (especially in Dane County), most states are reinvesting in their public universities, and median income in the United States increased by 5.2% in 2015 while real total compensation for UW-Madison academic staff continues to decline, so leaving UW-Madison looks much more attractive than it did just a few years ago. Whatever the trend in academic staff turnover has been, it seems likely to get worse. What would be the effect on UW-Madison if the AS Worklife survey results correctly predict high levels of academic staff turnover in the future?

Any University depends heavily on the "human capital" of its faculty and staff: their knowledge, skill, and experience. Some of this capital is general and transferable; some is specific to UW-Madison and in practice can only be gained over time as a UW-Madison employee. For example, a newly hired lecturer will know what to cover in a Chemistry 101 class, but will probably need to learn how to use Canvas. The research and outreach missions of the University involve a higher proportion of specific human capital, which is lost every time an employee leaves UW-Madison. Or consider the sole administrator of a small department, who must learn how UW-Madison does budgets, payroll, HR, grant administration and the many other things required to make a department run—and there is no formal training available for many of these subjects. Another form of human capital that can only accumulate over time is relationships with other members of the UW-Madison community. We imagine University leadership knows from personal experience the difference between working with a veteran academic staff member who knows how to get things

“It is recognized that we lose many of our best employees because they need to leave in order to advance. This leaves departments with many poor to mediocre employees staying long term and good employees moving on. The lack of institutional knowledge left in a position is frustrating. Good employees often need to constantly reinvent the wheel.”

“I note that success has not brought me any financial benefit.”

“I have so much of my life invested here that I can't really move - but it angers me that I am taken for granted just because I don't leave, as if that's the only way to show that we're serious.”

“The institution has been particularly ineffective in explaining or demonstrating to the legislators and citizenry that the continuous (since I have been here) budget reductions have any negative impact....the institutional response has been ‘we'll keep doing everything and more as well as we ever have’, in effect admitting to waste and inefficiency....At the daily operational level, what gets sacrificed is the portion of time that people can work on improving and developing new tools and approaches.”

“Most jobs in my unit are crammed chock-full of responsibilities beyond the capacity of a 40-hour position since we're always doing more with less and cuts at the university level are trickling down to put more of a burden on our employees.”

done at UW-Madison, and working with an academic staff member who is smart and well-intentioned but still figuring out his job. The AS Worklife survey suggests that if the University remains on its current course it will have fewer of the former and more of the latter.

Over time, increased levels of turnover will also change the nature of the academic staff population in other ways. Employees who can easily get another job elsewhere are more likely to leave, so we would expect those who leave to be, on average, more successful and productive than those who stay. We would also expect those who leave to be more willing to take risks and more comfortable with change. Ties to the state of Wisconsin or personal and family circumstances will keep some academic staff here regardless of other factors. But if the University remains on its current course we should expect the future academic staff to be, as a group, less productive and more resistant to change than the current academic staff.

The departure of academic staff can have a direct effect on research funding, given that academic staff principal investigators brought in over \$80 million in research grants in 2013-2014. However, academic staff are involved in every grant UW-Madison receives, from application to administration to getting results in the lab. If their quality decreases, we should expect UW-Madison's research ranking to continue to decline.

In recent years, academic staff attrition and keeping positions vacant has been one of the major tools the University used to both manage budget cuts and make resources available for compensation. This is problematic as a long-term strategy. Because staff cuts by attrition are not guided by a strategic plan, services are rarely cut and the remaining staff are often expected to spread the workload of the vacant position among themselves. Often it becomes “shadow work⁴” for faculty or highly-trained staff who should be focused on their area of expertise. This is unsustainable. It is likely that the University will need to make further cuts in the future. Future cuts must be guided by the University's strategic plans and priorities, and staff cuts must be matched by corresponding service cuts.

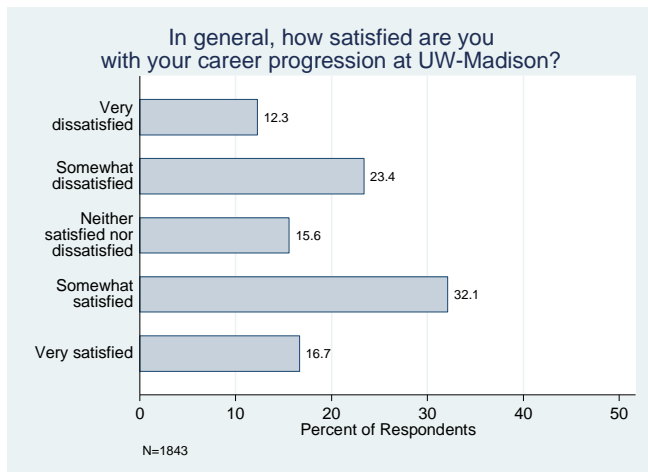
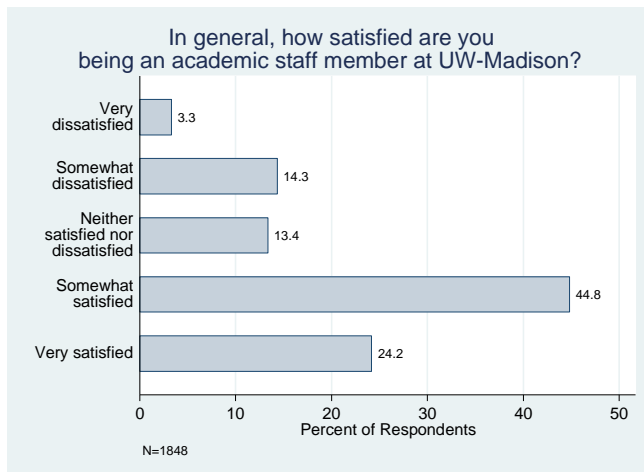
⁴ See <https://www.insidehighered.com/news/2016/11/08/cornell-launches-effort-cut-administrative-red-tape-starting-shadow-work>

Every time an academic staff member leaves it has an impact on her colleagues⁵. Even if she is replaced, the replacement will need to learn the position, which can easily increase the workload of her colleagues for a year or more. In many groups, she will leave a hole in a tight-knit community. When asked what contributes to their satisfaction with working at UW-Madison many, many respondents mentioned the quality of their colleagues. Increased turnover will weaken this reason to stay, further increasing turnover, creating a vicious circle. These kinds of “network effects” can lead to rapid changes which are difficult to foresee or reverse. University leadership must be proactive about retaining academic staff, not reactive, or they may find it is too late to preserve the caliber of academic staff that helped make UW-Madison what it is.

“I have had the amazing opportunity over the last 19 or so years to work with some of the most outstanding primary investigators, graduate students, and colleagues that has been my pleasure to get to know and build relationships with. My satisfaction with the UW-Madison is in the people. But, if the University isn't careful they are going to lose them and that, unfortunately has already started.”

Low Morale

The decline in morale at UW-Madison in recent years has been obvious, and the AS Worklife survey results confirm it:



⁵ The AS Worklife survey was probably trying to measure this when it asked how “Retention of valued colleagues” had “decreased or increased your enthusiasm for working at UW-Madison.” When this question was originally written by WISELI for their faculty survey, they probably relied on faculty understanding it as referring to the University’s extensive and largely successful effort to retain faculty. Since no similar effort was made for academic staff, it is unclear (as several respondents pointed out) whether it should be answered as a hypothetical question (“How would it affect your enthusiasm if your valued colleagues were retained?”) or based on their unit’s actual retention outcomes. We presume the 223 respondents who said “Retention of valued colleagues” *decreased* their enthusiasm for working at UW-Madison were actually describing the effect of *failing* to retain valued colleagues. Many more might have said the same if they hadn’t interpreted the question as hypothetical.

	2003	2016
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Judge, Thoresen, Bono, & Patton (2001)⁷ find a significant correlation between job satisfaction and job performance, and that it is highest for scientists and engineers and those with high complexity jobs. In the private sector many employers go to great lengths to increase employee morale, especially in the tech sector (Google is a particularly dramatic example⁸) where the work is very similar to what many academic staff do. These companies do this not out of altruism, but because they know it will help their business succeed. Improving the morale of academic staff will lead to higher productivity, greater engagement, and more creativity applied to the challenges facing UW-Madison and the state of Wisconsin.

Morale and retention are not qualities that leadership can manipulate directly. Rather, they must identify the causes of low morale and low retention and influence them. The AS Worklife Survey identifies many possible causes, but three stood out to the authors of this report:

- Unrecognized Work
- Political Environment
- Compensation

The rest of this report will discuss these issues, and what can (and cannot) be done in each area to improve AS morale and retention.

Unrecognized Work

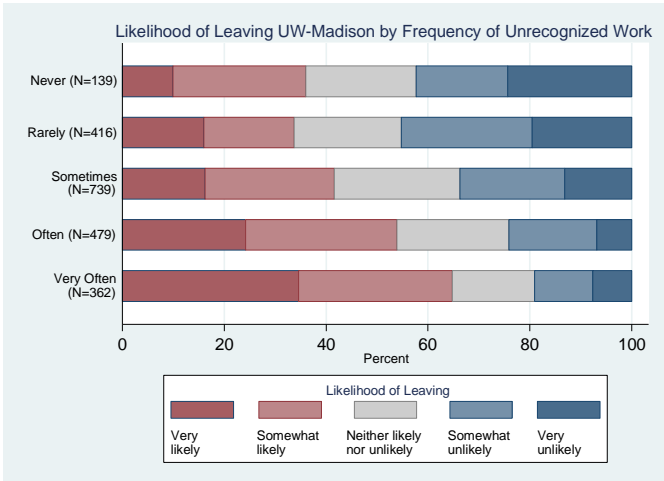
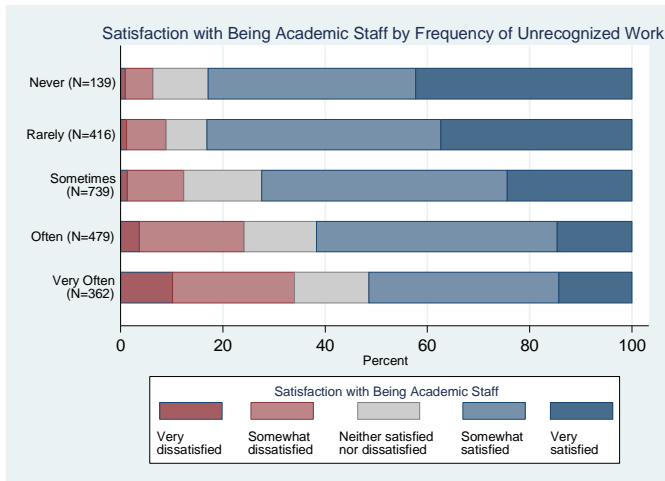
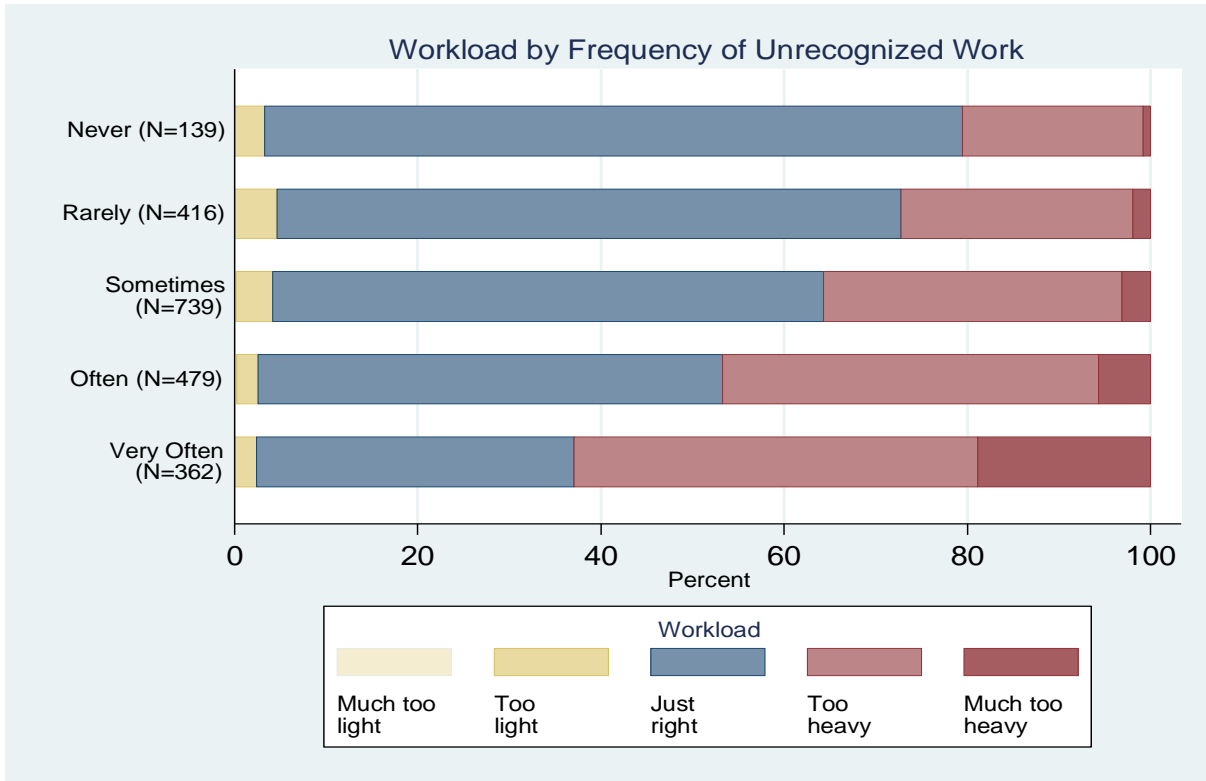
“I work beyond my hours, go above and beyond my job duties, volunteer for various committees, compensate for staffing inadequacies, and still feel completely unrecognized for all the work that I do.”

Nearly three-quarters of respondents to the Academic Staff Worklife survey indicated that they sometimes (35%), often (22%), or very often (17%) do work that is not formally recognized by their department or unit. These responses were largely the same for both men and women. Respondents who reported doing high levels of unrecognized work are more likely to say their workload is too heavy, less likely to say they are satisfied with being academic staff at UW-Madison, and more likely to leave UW-Madison. Respondents who said they do unrecognized work very often reported working an average of 7.8 hours more per week than those who said they never do unrecognized work.

⁶ The 2003 survey question actually asked about satisfaction with the respondent’s “current job” rather than “being academic staff.” See appendix 1 for details and discussion.

⁷ Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). Psychological Bulletin (<http://search.proquest.com.ezproxy.library.wisc.edu/docview/614359096/fulltextPDF/A281AE201E674F26PQ/4?accountid=465>)

⁸ <http://www.nytimes.com/2013/03/16/business/at-google-a-place-to-work-and-play.html>



Respondents who do more unrecognized work are more likely to say their workload is too heavy, less likely to say they are satisfied with being academic staff at UW-Madison, and more likely to leave UW-Madison.

“In other words, people are asked to do more, but not recognized or rewarded in meaningful ways. There is high turnover and burnout/disconnect because of this, which reduces productivity and morale within the office.”

Formal and informal methods are available to recognize hard-working academic staff. Position descriptions can and should be updated with changes in job duties. Performance reviews and mid-year check-ins are a good time for supervisors and employees to discuss how position descriptions on file with Human Resources match the array of job duties an employee is performing and the proportion of time devoted to each. In some cases, a reclassification or a raise may be appropriate to recognize an increase in responsibility. Thank you cards, positive narrative reviews, letters to an employee’s file, and recognition at a meeting or gathering are other ways to recognize outstanding performance or a temporary increase in duties when an updated position description is not warranted.

The way academic staff do what needs to be done whether their work is recognized or not demonstrates their commitment to the UW-Madison and its teaching, research and outreach missions. Recognizing that work will go far in improving morale and reducing turnover.

Political Environment

Q: What contributes to your satisfaction with working at UW-Madison?

“Pride in the Wisconsin Idea, and the impact of the work performed here.”

“I truly believe in the mission of UW and the Wisconsin Idea.”

“My satisfaction comes from working with students and seeing their growth.”

“I get to support and manage the entire department’s research portfolio, which will hopefully benefit the patients our clinicians treat, the people of Wisconsin, and the public at large. Without the sense of feeling like you contribute to this mission...I probably would not be working at UW, in academia or at a public institution.”

The AS Worklife Survey did not ask about politics, but it came up over and over again in responses to the open-ended questions. Respondents described both the negative effects the current political environment has had on them personally and their fears for the future of UW-Madison.

Many AS find deep meaning in the work they do and describe

it as service to the people of the state. That satisfaction may be a primary reason they choose to work at a university rather than making more money in the private sector. However, many respondents do not believe that the majority of the elected state representatives respect or value the work they do for the people of the state. While the rhetoric around state employees has died down since Act 10, repeated state government actions in regards to the budget and policy issues has reinforced this belief (see examples in Appendix 2). This perceived lack of respect undermines both their morale and their desire to work at UW-Madison.

Q: What contributes to your satisfaction with working at UW-Madison?

“When I am recognized as a contributing member of my department and of the campus as a whole.”

“I am challenged by my work. I feel appreciated by my superior and colleagues.”

Q: What detracts from your satisfaction with working at UW-Madison?

“Threats to the future of the university, including reduced funding from the state, reduced tenure protection and a hostile climate toward higher education and research within the state government.”

“Concern about the future of the institution”

“Feeling that UW-Madison is deteriorating in quality because of budget cuts, attitudes of legislature, governor (attempt to change university's mission), changes in tenure policy.”

This perception has been reinforced by repeated cuts to state support for the UW System and the weakening of tenure policies. Many survey respondents expressed fear for the future of UW-Madison. 84% of respondents cited budget cuts as a reason they had considered leaving UW-Madison, and 89% said budget cuts had reduced their enthusiasm for working at UW-Madison. 63% said recent changes in tenure policies had reduced their enthusiasm, even though AS do not receive tenure and, in fact, strong faculty tenure protections ensure it is staff that are laid off when budgets are cut.

The AS Worklife Survey was completed before the 2016 presidential election, but there is no doubt that its outcome created even more fear for the future among many AS. There is concern that federal research funding may be reduced, and

that research in politically sensitive areas could be censored or defunded entirely. AS in all areas fear that the new administration does not share the values espoused by UW-Madison. These fears may have less of an impact on retention because they apply to the entire country, but they certainly affect morale.

In the short-to-medium term, it is unlikely University leaders can substantially change the effect of politics on AS morale and retention. They'll need to work even harder in other areas to offset those effects.

Q: What detracts from your satisfaction with working at UW-Madison?

“The targeting of state and university employees by politicians—their complete disrespect for the work that we do”

“I also feel completely demoralized much of the time by how underappreciated UW and State of Wisconsin employees are in general by our legislature, Board of Regents and Governor.”

“I feel disrespected by the Regents, the legislature, and the governor.”

Compensation

Q: What detracts from your satisfaction with working at UW-Madison?

“Year after year of decreased benefits equating to salary loss. No cost of living increases, no raises.”

“Pay and benefits - costs keep going up for health care and parking however, salary doesn't go up so I am therefore making much less than a few years ago.”

“Uncompetitive and stagnating salaries and the slow shift of benefit responsibilities from employer to employee.... I have witnessed over 15 years a steady decline in competitiveness for top talent in all positions in which the UW hires. As this institution has ceased to give even steady but fair cost of living salary increases and benefits move toward private sector equivalents the ONLY thing that is competitive is working climate.”

“SALARY, SALARY, SALARY”

“My pay has mostly remained stagnant for 8 years...our benefits have [decreased] in the time I have worked here...there does not appear to be any hope on the horizon.”

We did not attempt to formally categorize the nearly 1,400 responses (many thoughtful and lengthy) to the question “What detracts from your satisfaction with working at UW-Madison?” but it is very clear that compensation is the top concern of the academic staff. This is consistent with the 2014 CEBC survey, in which 80% of respondents rated compensation as either “Very Important” or “Extremely Important.” However, their current level of compensation is mentioned less often than the fact that it has decreased in the recent past, and respondents clearly expect that it will continue to decrease in the future. Behavioral economists have found that most people are very sensitive to losses⁹, so we believe the issues of academic staff retention and morale cannot be addressed without giving staff good reason to believe their real total compensation will be at least stable in the future. Unfortunately, their current expectations are well-grounded in recent history and decisive action will be required to change them.

*“We can no longer live in a society where the public employees are the haves and taxpayers who foot the bills are the have-nots”
(Governor-Elect Scott Walker, 2010)*

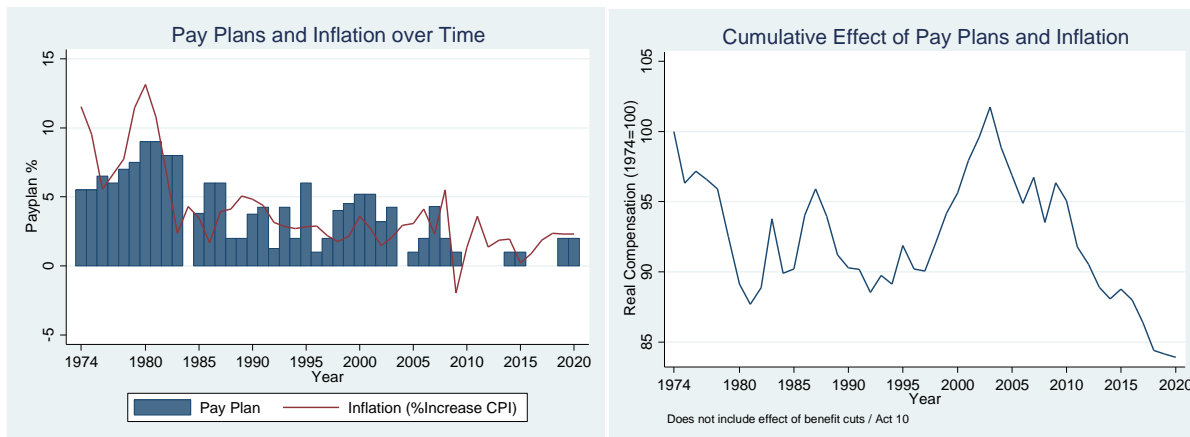
One of Governor Walker’s first initiatives upon taking office in 2011 was Act 10, which included benefit cuts that reduced the take-home pay of the median academic staff member with family insurance by 8.2%. This prompted a spike in academic staff turnover and sharp drop in morale. However, state policy has been reducing academic staff compensation since 2003 and shows no sign of stopping.

Before 2003, state budgets almost always included “pay plans” (small percentage-based pay increases for almost all employees) which over the long run compensated for inflation. These became

smaller and irregular after 2003, and all but disappeared after 2009. The cumulative gap between inflation and pay plans since 2003 will be roughly 15.1% at the end of FY 2017, with 10.3% of that coming since 2009. (See Appendix 3 for a full history of pay plans and inflation.) The result is lower real wages and standards of living for academic staff.

⁹ Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47, 263-291. “A salient feature of attitudes to changes in welfare is that losses loom larger than gains. The aggravation that one experiences in losing a sum of money appears to be greater than the pleasure associated with gaining the same amount.”

Governor Walker's proposed FY 2018-2019 budget would provide no pay plan in FY 2018, a 2% pay plan in FY 2019 that takes effect three months into the fiscal year (September 30, 2018), and what is essentially a 2% pay plan for FY 2020 (it takes effect May 26, 2019, one month before the start of FY 2020). All of this is contingent on the legislature approving a change to self-insurance for state employee health insurance. Meanwhile, inflation is forecast to be about 2.3% annually for all three years¹⁰, so real compensation would continue to decrease even in the years that have pay plans. If this proposal is approved and no additional pay plan is provided in FY 2020, then by the end of FY 2020 the gap between pay plans and inflation since 2003 will have grown to about 17.5%. By many measures this is the best pay plan Governor Walker has ever proposed, and represents a plausible upper bound on what can be expected in the future. However, it represents yet another substantial decrease in real compensation.



The graph on the right shows how the inflation-adjusted salary would change over time for a hypothetical employee who started working at UW-Madison in 1974 (when the UW System was created) but never got any raises outside of state-sponsored pay plans. Real employees do get other raises, but often not very many over the course of their career, so their inflation-adjusted salaries track this line fairly closely. See Appendix 3 for details and examples.

Nor was Act 10 the end of benefit cuts. In FY 2012, state employees began paying a share of their health care costs via co-insurance, and in FY 2016 a large deductible was added to the state's health insurance plan. These benefit cuts decrease the total compensation and standard of living of academic staff. (Note that many respondents attribute all of the decline in their real compensation to benefit cuts even though much of it is due to inflation.) It is widely perceived that state employees once accepted lower pay than they could get in the private sector in exchange for much better benefits, but now the benefits are only marginally better than the private sector and the pay even lower.

¹⁰ <https://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/2017/survq117>

The increasing cost of parking is frequently mentioned alongside stagnant wages and benefit cuts, but parking costs are set by the University, not state government. In the minds of some respondents, increasing parking costs make the University an active participant along with state government in reducing their standard of living.

At this point we'd ideally present the median academic staff salary less health care and parking costs, and compare it to historical levels as well as current levels at other universities and relevant employers. Unfortunately, such data are simply not available. The information on faculty compensation in the UW-Madison Data Digest plays an important role in every discussion of faculty compensation, and similar data are badly needed for academic staff. Collecting and publishing such data, and creating a process for updating it in the future, should be a major task of the upcoming Titling and Total Compensation Study.

Q: What detracts from your satisfaction with working at UW-Madison?

"Parking! It's SO expensive and only getting worse. Soon only faculty will be able to afford it."

"UW's lack of consideration for less-well-compensated employees, who pay the same for parking as the highest paid faculty.... In light of all these hardships, the latest parking-rate increase is cruel and depressing."

"I hear all this talk about Academic Staff Retention and how we are going to start to see merit based raises, and increase pay to industry standards, but have yet to see it in practice."

The University has taken some steps to increase academic staff compensation, including Critical Compensation Funds (CCF) in FY 2013 and 2014, and, Discretionary Compensation Funds (DCF) in FY 2016 and 2017. Although one respondent mentioned CCF as a factor that increased their satisfaction with working at UW-Madison (while one said seeing their CCF pay increase cancelled out by benefit cuts decreased their satisfaction), the AS Worklife survey suggests that CCF and DCF have not changed the general perception that compensation is stagnant or declining. Factors that most likely contribute to this include:

- Campus leadership has not framed these plans as part of a long-term strategy or commitment.
- They provided relatively small amounts of money.¹¹
- They only paid for raises for staff on fund 101. CCF included a requirement that staff not on fund 101 be given similar raises, but DCF has not.
- They gave raises to a minority of the academic staff, one third or less each year, and were often used to give the same people raises year after year.

State statutes do not give UW-Madison leadership authority to implement a broad-based pay plan, so annual compensation exercises that give raises to some employees and not others are probably unavoidable. Such an exercise can still improve expectations for all employees, but only if employees are confident that the exercise will be repeated consistently and their turn to get a raise will come regularly. That is not currently the case. Supervisors play a role in forming expectations by communicating to individual employees what they can expect in the future, but they cannot do so effectively without some certainty about future compensation plans. Some supervisors still prefer to avoid the

"As a supervisor, I feel like I have nothing left in my toolbox to motivate my staff."

¹¹ CCF was just sufficient (combined with the small pay plan in FY 2014) to stabilize the total academic staff payroll against inflation in the years it took place, but not against prior inflation or benefit cuts. DCF has not been sufficient to offset inflation.

topic of compensation entirely, which is no longer an option in a world where across-the-board pay plans have been replaced by compensation plans that are driven by supervisor decisions.

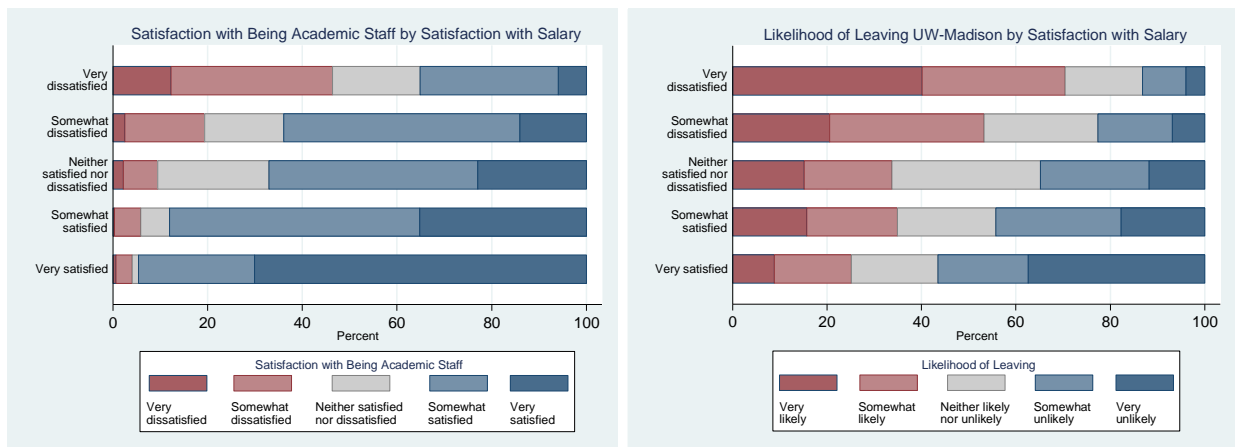
“I think it's great that some faculty have been incentivized to stay here, but it creates more discrepancies between the haves and have nots; not everyone is being rewarded for staying. I get a free scoop of ice cream once a year instead!”

The University’s well-publicized efforts to retain faculty have created mixed feelings. All academic staff recognize the importance of the faculty. However, it would be superhuman for academic staff not to feel a measure of resentment as they watch the University spend millions to retain faculty, who are already paid much more than they are, while academic staff compensation continues to decrease. According to the WISELI survey, faculty satisfaction with their salaries actually increased from 2012 to 2016, so if similar efforts are made for academic staff we would expect similar results.

The results of this history can be seen in the AS Worklife survey questions about satisfaction with salary and benefits. 53% of respondents were at least somewhat dissatisfied with their salary compared to 38% who were at least somewhat satisfied. For benefits, 27% were at least somewhat dissatisfied compared to 63% who were at least somewhat satisfied. This suggests many academic staff are aware their benefits are still better than most, just not as good as they once were.



Satisfaction with salary is very strongly related to satisfaction with being an academic staff member at UW-Madison and strongly related to probability of leaving UW-Madison in the next three years (along with many other outcomes of interest). 95% of those who are very satisfied with their salary are at least somewhat satisfied with being an academic staff member at UW-Madison, compared to 35% of those who are very dissatisfied with their salary. 70% of those who are very dissatisfied with their salary say they are at least somewhat likely to leave UW-Madison in the next three years, compared to 34% of those who are very satisfied with their salary. This is consistent with the 2014 CEBC survey, in which 80% of respondents said compensation was either “Very Important” or “Extremely Important” to them.



Respondents who are dissatisfied with their salary are much more likely to be dissatisfied with being academic staff at UW-Madison and more likely to leave.

Given the strength of these relationships, the University cannot expect to address academic staff retention or academic staff morale without addressing academic staff compensation. In the long run, UW-Madison simply must provide continuous competitive compensation. ***In the short run, a necessary first step will be to stabilize real total compensation at its current level.*** Stabilizing real total compensation means providing regular salary increases that offset inflation over the long run and additional salary increases to offset any future benefit cuts. This would avoid triggering the strong negative emotions that losses create. Annual cost of living adjustments are probably not an option because the University does not have legal authority to provide across-the-board pay plans, but there are other ways of accomplishing the same goal.

A strategy of improving morale and retention by creating an expectation that real total compensation will be stable in the future requires three elements:

First, ***money***. We understand that a 1% pay increase for all academic staff costs just over \$4.2 million, with \$1.4 million coming from fund 101 and the rest from research grants and other sources. If we assume 2.3% annual inflation and no further benefit cuts, that means roughly \$3.2 million in fund 101 money and \$6.4 million in other funds must be invested in academic staff compensation each year to stabilize it. Similar amounts will be needed for University staff and faculty. Under normal circumstances, tuition revenue, state support, and other funding would also be expected to grow at roughly the rate of inflation so it all balances out, but this has not been the case for some time.

Second, ***mechanisms for raising compensation***. The report *Key Issues for the Upcoming Titling and Compensation Study*¹² suggests several mechanisms that would do the job and are consistent with UW-Madison's current statutory authority.

Third, ***credible communication of the strategy***. If the goal is to change expectations, communication is as important as the strategy itself. The credibility challenge is that everyone knows finding the money needed to stabilize compensation will be difficult, even painful. Thus the strategy must include at least a rough answer to the question "Where will the money come from?"

¹² <https://kb.wisc.edu/images/group171/63705/597A-AdHocCommitteeonTitlingandCompensationReport.pdf>

If the pay plans in Governor Walker's proposed budget are approved they will provide some of the answer, starting in September 2018. However, they are not enough to stabilize compensation against inflation even after they take effect, and are a mixed signal at best about future pay plans.

Increased revenue, increased philanthropy, and (relatively) painless "efficiencies" will hopefully be another part of the answer, but they are too uncertain to be the entire plan. On the other hand, academic staff are heavily involved in many projects for increasing revenue, so it would be logical to invest some of that revenue in the academic staff.

What University leadership can do with certainty is cut programs and services to make money available to stabilize compensation. Given that research money cannot be used for other purposes, the cuts will fall heavily on everything else the University does. These cuts will involve layoffs; most of the savings will come from the layoffs. A promise to make cuts as needed will be most credible if it recognizes that the cuts will be painful and unpopular, but ties them to University leadership's strategy for the future of the University. We believe academic staff would be open to a message that if the University's real revenue continues to decline something has to give, and leadership would rather reduce the size and scope of the University than its quality. From a workforce perspective, the tradeoff is providing good jobs to a slightly smaller number of employees versus providing mediocre jobs to all of the University's current employees and watching the quality of the employees come to match the quality of the jobs provided.

Two objections could be raised to the idea of University leadership creating and announcing a long-term compensation plan. One is that the University can only give raises based on performance, equity, retention, and market. While true, we do not believe this is an obstacle. Given recent history, there is no question that most academic staff are below market and thus eligible for a raise: if someone's real compensation has decreased, then either they were above market before or they are below market now. We are confident that the upcoming Titling and Total Compensation Study will confirm that the vast majority of academic staff are eligible for raises based on market factors, however we can't afford to wait until the study results are available.

The second objection to a long-term compensation plan is that if the University states that it will use its resources to stabilize employee compensation, state government will conclude it no longer needs to fund pay plans. But **state government has not been funding adequate pay plans anyway**. Governor Walker has been quite open about his desire to reduce the compensation of state employees, and his latest budget proposal indicates he still does not believe it has fallen to an appropriate level. More broadly, if the survey respondents are correct that many state leaders do not value UW-Madison's status as a world-class university, we cannot rely on them to provide the compensation needed to preserve it. If compensation is to be stabilized—and the future quality of the University depends on it—it must be done by University leadership.

Conclusion

In order to maintain its world-class status in these challenging times, UW-Madison needs the best efforts of all its employees, not just its leadership and faculty. It needs the world-class staff that helped make it what it is today to be enthusiastic, engaged, creative, and most of all *still at UW-Madison* despite the political climate and all the other challenges UW-Madison faces. University leadership can make a real difference by finding ways to recognize all the work academic staff do, and by first stabilizing their compensation and then working to return it to competitive levels. Changing academic staff expectations and giving them hope for the future will require a long-term strategic plan that is public, credible, and which represents a dramatic change from the recent past, particularly on compensation. Creating such a plan is an essential step in ensuring UW-Madison remains the exceptional institution that the people of Wisconsin expect and deserve.

Appendix 1: Survey Details

The AS Worklife survey is a slightly modified version of the faculty survey which was developed by the Women in Science & Engineering Leadership Institute (WISELI). It was sent to 7,082 AS and Limited employees with AS governance rights in May 2016. 2,350 filled out the survey, with 1,873 responses being substantially complete, for a response rate of 26.4%.

The survey respondents are not perfectly representative of all AS: 67% of respondents identified as female, for example, compared to approximately 54% of all AS. Given the length of the survey, it's plausible that AS who feel strongly about the issues covered (positively or negatively) were more likely to complete it, though there's no way to test for or measure such an effect with the data available. It's likely that the statistics given in this report do not perfectly reflect the full population of AS, but given the high response rate the differences are probably small. Even if the 1,873 respondents spoke for no one but themselves they would still represent a substantial constituency.

WISELI last carried out a survey of AS in 2003 and we used the 2003 survey as a baseline for examining changes in satisfaction. 2003 is a good baseline for doing so as it represents the last year in which pay plans actually offset inflation. However, the 2003 survey differed from the 2016 survey in several important ways. In principle, these differences could affect the decrease in satisfaction we observed but we do not believe they did so in a significant way.

1. The 2003 survey was only sent to AS with certain titles, apparently chosen to be most similar to faculty. We identified AS with the same titles in the 2016 survey and their satisfaction levels were not significantly different from the other respondents.
2. The 2003 survey did not give the option "Neither satisfied nor dissatisfied" while the 2016 survey did. Research¹³ suggests that respondents who would choose a neutral response if they could will pick more or less randomly between "Somewhat satisfied" and "Somewhat dissatisfied" if a neutral response is not available. However, the decrease in percent satisfied from 2003 to 2016 remains even if you assign one-half of the 2016 respondents who chose "Neither satisfied nor dissatisfied" to "Somewhat satisfied." Moreover, the decrease in the percent who are "Very satisfied" is even larger and cannot be attributed to the availability of a neutral response in 2016.
3. The 2016 survey asked about satisfaction with being academic staff at UW-Madison, while the most comparable question in the 2003 the survey asked about satisfaction with their current job. This raises the possibility that some 2016 respondents were thinking about how satisfied they are with being academic staff *rather than University staff or faculty*. Administrators and IT staff, many of whom work closely with University Staff that have similar qualifications to them, are most likely to say they are satisfied with being AS (74.5% and 74.4% respectively). Meanwhile clinical faculty, many of whom do not think of themselves as AS at all, are least likely to say they are satisfied being AS (58.0%) and instructors are next (60.7%). It's possible that some of the changes in satisfaction observed from 2003 to 2016 are due to the 2016 question also capturing some of the relative desirability of an academic staff position, but it's not clear which direction this effect would go. We are confident that it does not explain the entire decrease.

¹³[https://www.researchgate.net/publication/5091207 Middle Alternatives Acquiescence and the Quality of Questionnaire Data](https://www.researchgate.net/publication/5091207_Middle_Alternatives_Acquiescence_and_the_Quality_of_Questionnaire_Data)

Appendix 2: Selected Statements from State Leaders

The misson of the system is to develop human resources to meet the state's workforce needs, to discover and disseminate knowledge, ~~to extend knowledge and its application beyond the boundaries of its campuses and to serve and stimulate society by developing~~ develop in students heightened intelletual, cultural, and humane sensitivities, scienteific, professional and technological expertise, and a sense of purposes. ~~Inherent in this broad mission are methods of instruction, research, extended training and pulic service designed to educate people and improve the human condition. Basic to every purpose of the system is the search for truth.~~

(Governor Walker's proposed changes to the mission of the UW System, 2015¹⁴)

They might be able to make savings just by asking faculty and staff to consider teaching one more class per semester.

(Governor Scott Walker, 2015¹⁵)

[Governor Walker's] focus is to invest in the university in a way that enhances career-oriented instruction to help students and employers looking for jobs and workers in high-demand fields.

(Walker spokesman Tony Evenson responding to UW-Madison dropping out of the top five research institutions, 2016¹⁶)

Of course I want research, but I want to have research done in a way that focuses on growing our economy, not on ancient mating habits of whatever.

(Assembly Speaker Robin Vos, 2014¹⁷)

¹⁴ <http://archive.jsonline.com/news/education/scott-walkers-uw-mission-rewrite-could-end-the-wisconsin-idea-b99439020z1-290797681.html>

¹⁵ http://host.madison.com/wsj/news/local/education/university/gov-scott-walker-to-uw-faculty-consider-teaching-one-more/article_46cd33d1-18bb-509e-aa2c-d3b0b66ccee8.html

¹⁶ <http://www.jsonline.com/story/money/business/2016/11/22/uw-madison-falls-nations-top-five-research-universities/94276066/>

¹⁷ <http://www.wpr.org/assembly-speaker-vos-discusses-republican-agenda-next-session>

Appendix 3: History of Pay Plans

Fiscal Year Ending	Pay Plan=1%	Inflation (%)	Pay Plan > Inflation
	No Pay Plan		Pay Plan < Inflation
	Pay Plan (%)		Cumulative Effect (1974=100)
1975	5.5	9.53	96.3
1976	6.5	5.56	97.2
1977	6.0	6.67	96.6
1978	7.0	7.73	95.9
1979	7.5	11.45	92.5
1980	9.0	13.15	89.1
1981	9.0	10.77	87.7
1982	8.0	6.56	88.9
1983	8.0	2.36	93.8
1984	0.0	4.31	89.9
1985	3.8	3.46	90.2
1986	6.0	1.67	94.0
1987	6.0	3.93	95.9
1988	2.0	4.13	94.0
1989	2.0	5.06	91.2
1990	3.8	4.82	90.3
1991	4.3	4.37	90.2
1992	1.3	3.16	88.5
1993	4.3	2.85	89.7
1994	2.0	2.70	89.1
1995	6.0	2.83	91.9
1996	1.0	2.88	90.2
1997	2.0	2.17	90.1
1998	4.0	1.75	92.0
1999	4.5	2.14	94.2
2000	5.2	3.60	95.6
2001	5.2	2.72	97.9
2002	3.2	1.47	99.6
2003	4.2	2.06	101.7
2004 ⁱ	0.0	2.94	98.8
2005	1.0	3.07	96.9
2006	2.0	4.10	94.9
2007	4.3	2.32	96.7
2008	2.0	5.50	93.5
2009	1.0	-1.96	96.3
2010 ⁱⁱ	0.0	1.34	95.1

ⁱ In FY 2004 all UW-Madison academic staff were required to pay health insurance premiums. Previously the state covered all of the cost of the lowest cost health insurance provider and academic staff only paid the difference (usually small) if they chose another provider. This is not included in the "Cumulative Effect" column.

ⁱⁱ In FY 2010 and 2011, furloughs acted as a temporary 3% pay cut. This is not included in the "Cumulative Effect" column.

2011	0.0	3.58	91.8
2012 ⁱⁱⁱ	0.0	1.37	90.6
2013	0.0	1.87	88.9
2014	1.0	1.94	88.1
2015	1.0	0.20	88.8
2016 ^{iv}	0.0	0.87	88.0
2017	0.0	1.87 ^v	86.4
2018	0.0	2.35 ^{vi}	84.4
2019	2.0 ^{vii}	2.30	84.2
2020	2.0	2.30	83.9

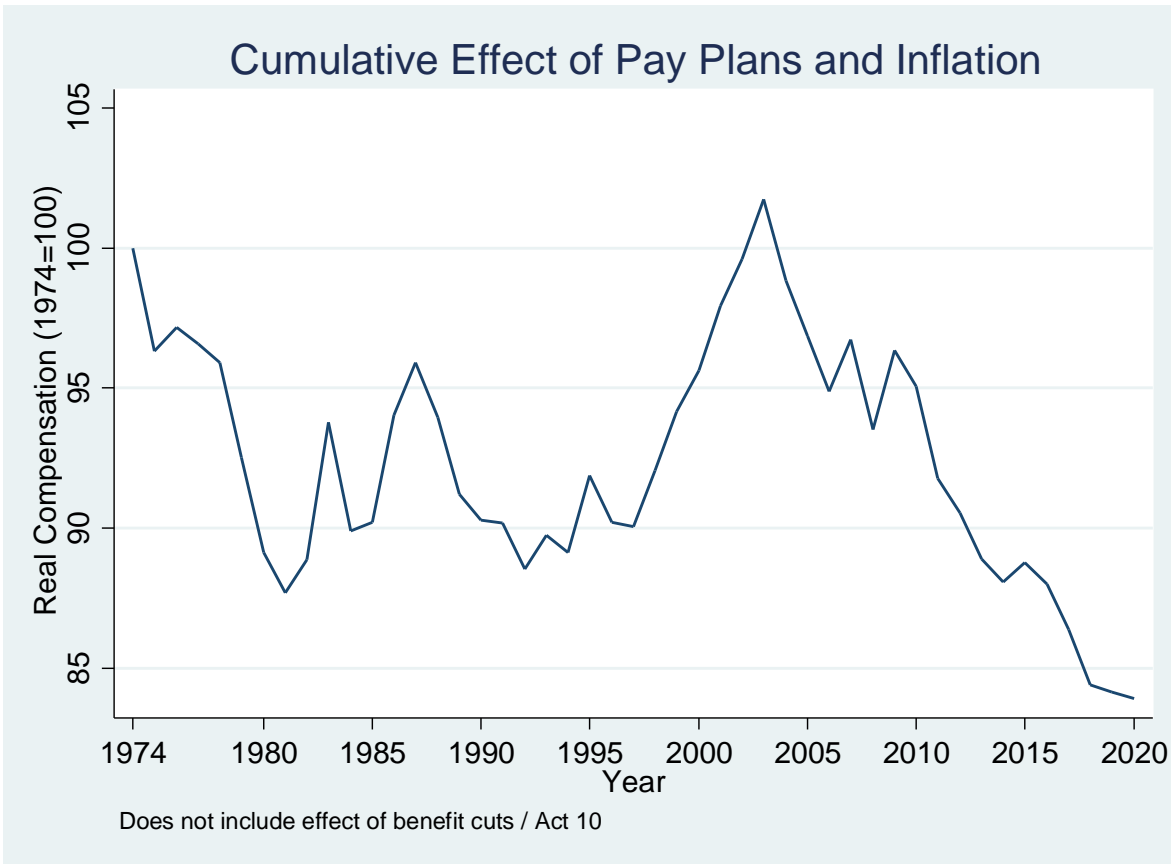
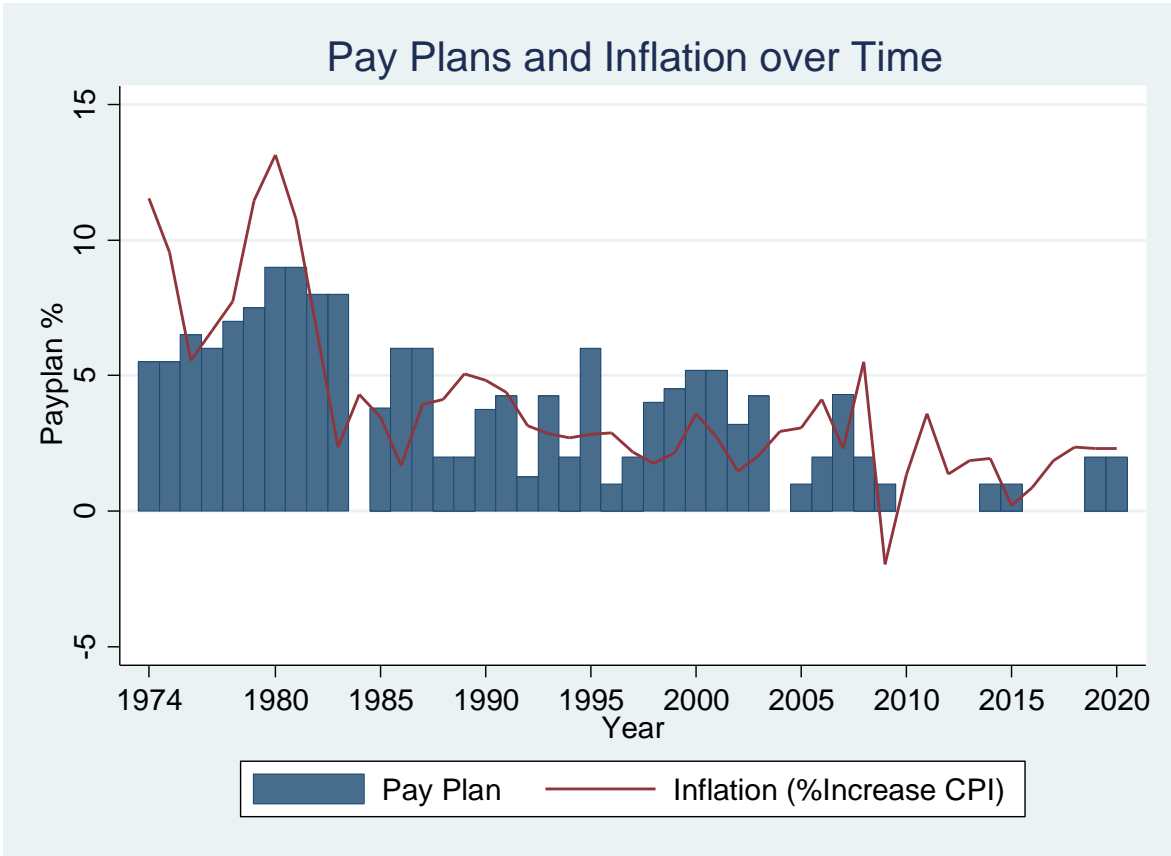
ⁱⁱⁱ In FY 2012 Act 10 required that all state employees begin paying retirement contributions and significantly increased health insurance premiums. The effect for an academic staff member at the median salary with family insurance was an 8.2% reduction in take-home pay. State employees were also required to pay for part of their health care expenses via coinsurance starting in FY 2012. These are not included in the “Cumulative Effect” column.

^{iv} In FY 2016 substantial deductibles were added to the health insurance plan for state employees. This is not included in the “Cumulative Effect” column.

^v Estimated inflation is a combination of actual inflation for the second half of calendar 2016 and forecast inflation for the first half of calendar 2017 from the Philadelphia Fed Survey of Professional Forecasters.

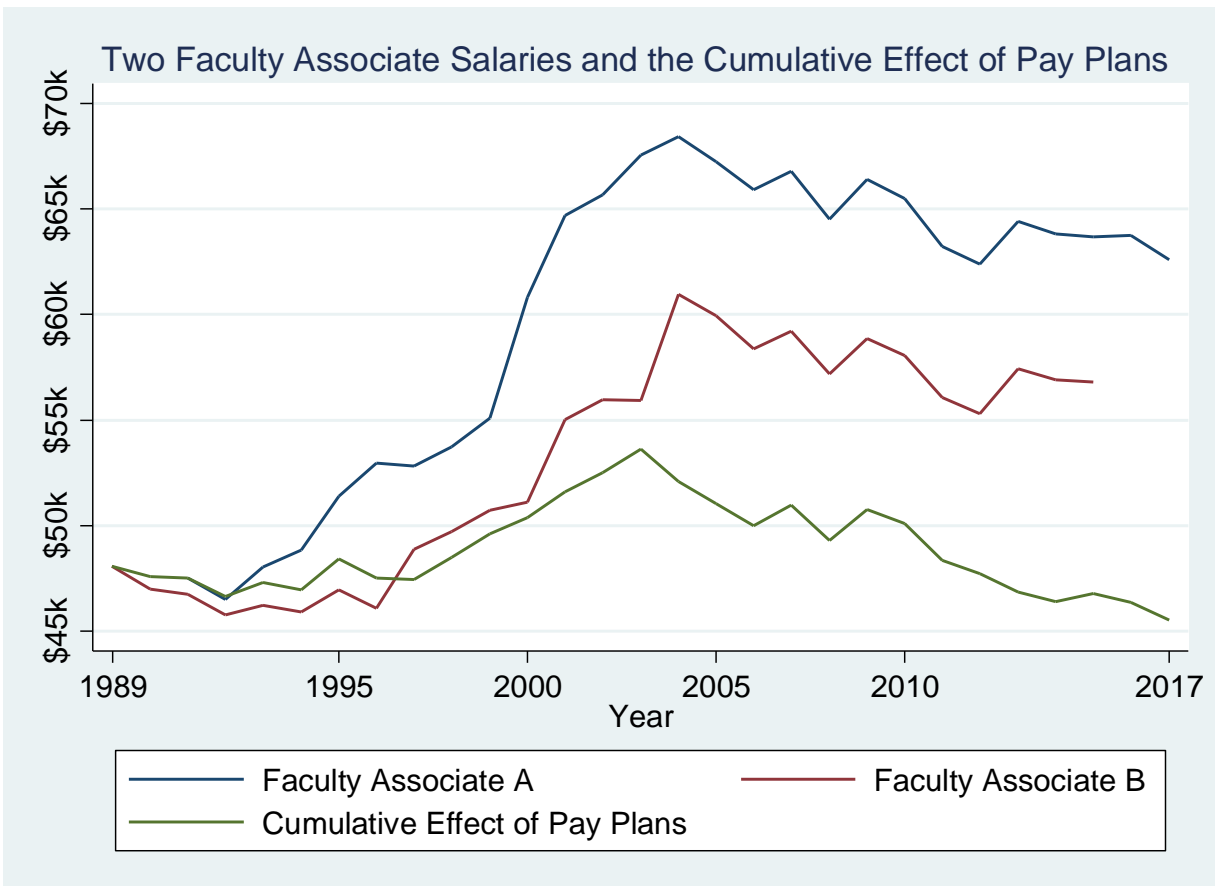
^{vi} Inflation forecasts from the Philadelphia Fed Survey of Professional Forecasters.

^{vii} Governor Walker’s proposed pay plans. The 2019 pay plan would not actually take effect until three months into the fiscal year. The proposed increase that would take effect on May 26, 2019, is treated here as a 2020 pay plan, because it would take effect just one month before the beginning of fiscal 2020. Since fiscal 2020 is part of the next budget biennium, it is possible that another pay plan could be enacted in that year. This table assumes no second pay plan.



This graph shows how the inflation-adjusted salary would change over time for a hypothetical employee who started working at UW-Madison in 1974 (when the UW System was created) but never got any raises outside of state-sponsored pay plans. Real employees do get other raises, but often not very many over the course of their career, so their inflation-adjusted salaries track this line fairly closely.

The Ad Hoc Committee on Category B Salary Compression recently compiled complete salary histories of two Faculty Associates as case studies, which we use with their permission. The following graph shows their salary histories after adjusting for inflation, along with a line showing what B's salary would have been if B had only received pay increases through state pay plans (an equivalent line for A would be parallel but slightly higher).



While the Faculty Associates received substantial salary increases above and beyond the state pay plan, as we would expect, the influence of state pay plans is clear, especially later in their careers. (Faculty Associate A received more than B, who also seems not to have received an increase due to the state pay plan in 1990.) Both Faculty Associates received CCF raises in 2013, which were helpful but not enough to compensate for previous declines. We do not have enough data to say how typical these two cases are, but they match what many survey respondents describe.

Note that these graphs do **not** include the effect of benefit cuts. Act 10 alone caused an 8.2% reduction in take-home pay for the median academic staff member. Thus they seriously **underestimate** the decline in real total compensation in recent years.