Office of the Senior Vice President and Provost

Faculty Compensation Resources
Overview of Terminology

Performance based, meritorious salary adjustment
A performance based, meritorious salary adjustment is an adjustment made in recognition of work performance that meets or consistently exceeds performance standards documented through an established evaluation process.

At ISU, per the institutional Compensation Administration Policy, an annual salary adjustment is based on an overall satisfactory performance evaluation. This is determined in accordance with the Annual Salary Adjustment Parameters and contingent upon completion of a documented annual performance evaluation for the employee. It is expected that an overall satisfactory evaluation based on the annual performance evaluation should warrant some salary adjustment (a minimum percentage is established each year via the Annual Salary Adjustment Parameters) and a percentage increase in recognition of above satisfactory (exceptional) performance. Managers should differentiate performance levels to reward performance.

Market based salary adjustment
A market-based salary adjustment is a salary adjustment to base pay to align with external data related to the job (not related to performance) using Iowa State University recognized market data. Market is a range of pay opportunity with which Iowa State University competes in fields or disciplines in local, regional, or national markets.
When necessary and appropriate, a market-based salary adjustment may be requested to correct a market disparity. Institutional resources regarding market data are available and should be utilized by the Department Chair and Dean, in conjunction with assistance and support provided by the respective HR Partner.

Equity based salary adjustment
An equity based salary adjustment is a salary adjustment to correct an internal pay disparity ***related to the job being performed*** (not related to performance) OR An equity based salary adjustment is a salary adjustment to correct an internal pay disparity ***related to a protected class*** or groups protected from employment discrimination by law (e.g., men and women on the basis of sex; any group which shares a common race, religion, color, or national origin; people over 40; people with physical or mental handicaps, etc.).

When necessary and appropriate, an equity salary adjustment may be requested to correct an internal pay disparity by using institutional resources regarding equity that are available and should be utilized by the Department Chair and Dean, in conjunction with assistance and support provided by the respective HR Partner.

Preemptive Retention and Retention based adjustment

A salary adjustment considered when attraction and/or retention issues for a job are substantial, and any additional unfilled positions present a substantial adverse impact to critical business operations or to a major project.

A preemptive retention is an effort to identify high-performing faculty who are critical to the strategic initiatives of their department or college, or who are highly accomplished, broadly recognized, and potentially at risk of being recruited by another institution. These faculty members should be targeted as retention priorities and requests can be made at any time to help preempt their interest in other institutions. Departments and colleges are encouraged to develop a practice of identifying and investing in high-performing faculty members before they seek other job opportunities or are actively recruited by others.

Retention is an effort to prompt a high performing and valued faculty member to remain at ISU when the faculty member is being recruited away by another institution. A formal job offer is NOT required in order to engage in the retention process. In return for accepting a retention offer, the faculty member agrees to withdraw from consideration for the external position.

Salary Compression

Salary compression is when faculty or staff who have been in a job for a long time make less than new hires or other current employees in the same position for less time. With compression, there are small differences in pay that ignore experience, skills, level, or seniority. You see pay compression happen when starting salaries for new faculty and staff in a particular job classification or faculty rank are set too close to the wages of their existing peers.