

July 22, 2024

**TO:** Vice Presidents and Executive Heads of Major Administrative Units

**FROM:** Christina K. Brogdon, MBA, Vice President and Chief Human Resources Officer  
Teresa Mastin, Ph.D., Vice Provost for Faculty and Academic Staff Affairs

**SUBJECT:** Merit and Equity + Excellence Market Raise Guidelines for Executive Managers

MSU's Strategic Plan includes an emphasis on Faculty and Staff Success. By highlighting this priority, the Strategic Plan recognizes that institutional excellence in fulfilling our missions in teaching, research, and outreach at the local, national, and global levels depends on the strength and quality of our employees. We are pleased to recognize the vital role that our executive managers play in leading and supporting the university's mission and in advancing its aspirations.

Upon the recommendation of the University leaders, the MSU Board of Trustees approved the 2024-2025 University budget which includes the salary merit raise pool for executive managers of 3.0 percent. Additionally, the approved budget also includes a 1.00 percent Equity and Excellence Market Pool for executive managers. Raise adjustments will be available for distribution during the normal raise process, with the allocated raises becoming effective October 1, 2024.

As we enter the university's annual raise process, we want to provide an update on this year's process as it relates to executive managers. Merit raise percentages for executive managers (EMs) generally align with those provided and approved for by the Board of Trustees for non-union faculty and academic staff. Executive managers are eligible for raises within the context of a 3.0% Merit Pool this year and a 1.0% Equity and Excellence Market Pool. Each Major Administrative Unit (MAU) will be provided with two raise pools:

- 1 - Merit Raise Pool control total<sup>1</sup>, calculated as 3.0% of the total combined salaries of all eligible EMs within your MAU<sup>2</sup>, and
- 2 - Equity and Excellence Market Pool control total, calculated as 1.0% of the total combined salaries of all eligible EMs within your MAU.

### **Merit Raise Pool**

Raises will be distributed based on merit. Within your MAU's 3% Merit Raise Pool, you have discretion in how to allocate the total pool of dollars across your executive team. This process empowers supervisors and requires accountability and responsibility. Adjustments for individuals should recognize relative merit in the performance of their job responsibilities and be based on relevant criteria pertaining to position expectations. Merit can take into account rewarding noteworthy contributions and strong performance, and can include responsiveness to significant demands, work in critical functions, and work toward fulfilling strategic imperatives.

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<sup>1</sup> The definition of a control total is provided in the attached document.

<sup>2</sup> If your unit also has faculty/academic staff employees, this control total will also include faculty/academic staff salaries.

Supervisors are expected to ensure that individual performance is assessed, and that salary increase recommendations are determined based on merit assessment. As a general principle, supervisors must play an active role in assessing employee performance, having ongoing conversations with employees about their performance, and rewarding employees accordingly.

In determining salary increase recommendations, consideration must be given to ensuring equitable and fair treatment for executive managers. A decision to make no salary adjustment or a very low salary adjustment to an otherwise eligible individual must result from merit considerations. Supervisors should retain documentation of the process used and the rationale for any individual merit-based salary adjustment decision in their administrative unit. The documentation minimally should include a listing of performance outcomes correlated to each raise percent determined. If a supervisor utilizes a specific methodology for distributing merit, the process should be documented.

### **Equity and Excellence Market Pool**

The Equity and Excellence Market Pool (“market pool”) recognizes executive managers who are consistently acknowledged as exemplary. The principles of equity and excellence will be used for allocation of market adjustments. In addition, executive managers whose salaries are materially below peers are to be considered.

The intent of this pool of funds is to recognize talented employees in a timely manner and, in so doing, encourage long-term commitment to the university within an increasingly competitive national market.

When making market raise determinations, it’s important to have the full context of an employee’s salary relevant to the employee’s salary history within the unit. We encourage you to consider a number of factors in determining market raises, including but not limited to: 1) extent to which employee performance is assessed at a consistently excellent level, 2) employee salary history, 3) internal unit equity, and 4) relevant external salary market comparisons for similar positions. This could be on a local, national, regional, or international level depending on the position.

Questions regarding this process can be directed to any of the following individuals:

- Amanda Goll, Office of the President, [goll@pres.msu.edu](mailto:goll@pres.msu.edu)
- Rebecca Yauch, Human Resources, [ryauch@hr.msu.edu](mailto:ryauch@hr.msu.edu)
- Kara Yermak, Office for Faculty and Academic Staff Affairs, [burtkar@msu.edu](mailto:burtkar@msu.edu)

Attachment

Cc: Kevin M. Guskiewicz, Ph.D., President  
Michael Zeig, Ph.D., Chief of Staff and Special Assistant to the President