

## Appendix 5A: Guidelines for Planning a Salary Equity Study

### I) Potential Purposes of a Salary Equity Study:

- To determine if evidence of gender bias in the overall faculty
- To determine if there is evidence of gender bias in specific sections/departments
- To identify individual faculty members for whom correction is indicated
- To identify individual faculty members for whom review should be undertaken to determine if correction is indicated?

### II) Preliminary Considerations:

- It is critical to decide in advance:
  - A) Why has study been initiated?
  - B) Who is responsible for the study?
  - C) What will be the subsequent actions by leadership?
- Goal should be to establish a continuous institutional review process rather than a single assessment.
- School leadership needs to support the process, guarantee access to necessary data, endorse the methodology and commit to salary adjustments above the normal merit increases justified.
- Confidentiality must be required from all individuals participating in the data preparation, data analysis, and individual faculty review and recommendation. Legal counsel may be solicited to ensure correct procedures to protect the confidentiality of the process.
- Clarify availability of data and access to current documents, e.g., updated curriculum vitae and job descriptions. Some offices may not have good data, and time will be required to correct it.
- Leadership should be convened at critical junctures of the study for involvement in decisions.
- Leadership must assign appropriate statistical, legal and support staff to the project. Consider at the outset of the project the destination of the final report, e.g., president, vice president or dean only, faculty senate, departmental chairs, state secretary of education.
- Leadership must guarantee protection to faculty participants from irate constituencies (chairs, individual faculty).
- Variables affecting the setting of initial salary, which is the most important influence on ultimate salary:
  - A) Marketplace (e.g., neurosurgeons “valued” more than pediatricians)
  - B) Geography (e.g., northeast urban centers higher than southern rural)
  - C) Rank
  - D) Tenure eligibility
  - E) Job description (e.g., 50% protected scholarly time without external funds to establish a laboratory for 3 years may be worth a lower salary)
  - F) National search process or inside candidate
  - G) Scarcity of specific scientific/clinical skill
  - H) Night and weekend call
  - I) Candidate’s negotiation skills
  - J) Sources of salary
  - K) Space: office, lab, clinic, and parking
  - L) Support packages: secretarial, statistical, computer, editorial, research assistant

M) Value of benefit package: life insurance, pre-tax child care credit, pre-tax medical credit, malpractice, disability plan, occupational health benefits, group health insurance, TIAA-CREF/other pension funds, financial counseling, mortgage

N) Rules related to bonus, incentives, other profit-sharing:

- Complex departmental formulas based on charges, collections, overheads
- Reward for new referral patterns, extending catchment areas
- Credit for care to indigent populations
- Return of managed-care “withholds” for cost effective performance
- Acknowledgment of major teaching award and committee service

O) Departmental style (e.g., in one department everyone at same academic rank may receive same base salary, then a published menu of bonus equivalents is given for each service - residency director, service center head)

P) Other institutional rules about salary, for example:

- Maximum salary per discipline not to exceed 95th percentile in AAMC Salary Report
- No salary greater than president or state governor
- 10 percent per promotion

III) Methodologies:

A) Calculating medians by gender and department

Advantages:

- Reveals if women are disproportionately “below average.”
- Not necessary for study group to see individual salaries or even the group medians of various departments.
- Information gained may be helpful to convince leadership that a problem exists.

Disadvantages:

- Does not address corrections/adjustments of individual salaries.

B) Means by discipline clusters and rank

(Explanation of clusters: Because the number of women in some departments is small, groupings are necessary for statistical power. “Super discipline clusters” combine disciplines into larger aggregations generally recognized as being competitive from the perspective of offering similar salaries, e.g.,: basic science departments, low income clinical departments and high income clinical departments).

Advantages:

- If institution was committed to a “quick fix”, this method could guide adjustments.
- Individual salaries are not seen by study group.

### C) Proportional ranking by department

Explanation:

- Salaries are ranked in descending order without faculty names as in example below
- Gender is indicated (example shows 7 men and 0 women full professors and 6 men and 3 women associate professors, with the women faculty earning the 3 lowest salaries):

	Professor	Associate Professor
160,000	1.	
155,000	2.	
150,000	3.	
145,000	4.	
140,000	5.	1.
135,000	6.	2.
130,000	7.	3.
125,000		4.
120,000		5.
115,000		6.
110,000		7.♀
105,000		8.♀
100,000		9.♀

Advantages:

- This method can be used for a quick, annual review by department.
- Salary amounts not necessary to include.
- No individual or departmental salaries released.

### D) Multiple regression model

Steps:

- 1) Collect information by gender, race, discipline group, age, rank, degree, tenure, measures of productivity (e.g., papers, clinical earnings)
- 2) Clean data; identify and explain outliers
- 3) Create *predicted* salary curve for all salaries
- 4) Plot *actual* salary curve
- 5) Identify faculty whose actual salaries are below the predicted salary in an order of degree of difference, i.e. how great is the residual
- 6) *Decision* for lowest 15% or 1 standard deviation (may need to review some data, e.g. c.v., in detail)
- 7) Compare:
  - a) Percentage women on whole faculty
  - b) Percentage women with less than predicted salaries
  - c) Of group identified for study, what is percentage of women.
  - d) After review of group, what is percentage women in group for whom corrections are recommended.

- 8) After group and individual discrepancies are noted, then the most difficult questions remain:
- a) Will dean mandate corrections/adjustments? Or does dean negotiate with chairs for a percentage correction?
  - b) What is the period for correction (2 years)?
  - c) Does dean provide resources? Does dean mandate corrections at cost of reducing the rate of salary increase scheduled for faculty?
  - d) Does dean/vice president require a review of all women and men identified for salary correction to assess productivity (earnings, grants history, off-the-clock periods)?
  - e) How and by whom is decision made to correct, partially correct or not correct?
  - f) After corrections are made, what is the monitoring system to prevent recurrence of inequities?

IV) Final Considerations:

Monitoring process should insure that:

- corrections are made above normal merit and promotion raises;
- individuals corrected are not penalized by low/no bonus or low/no subsequent normal merit/promotion increases;
- individuals corrected are not harassed by department chair, division chief or other faculty.

Issues especially important for women:

- Initial salary is most important variable
- Improve negotiating abilities
- Document productivity
- Be prepared for comments on the quality of women's work, the style of women's professional demeanor (e.g., "she never smiles") and the evaluation of choices (motherhood, off-the-clock time, topic of research, teaching style).

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