

# SALARY EQUITY FROM START TO FINISH

Compensation Policies and Principles Supporting Gender and URM Equitable Pay at MCW



Pay equity is a core principle of MCW's compensation philosophy. MCW strives to maintain compensation programs that ensure pay is based on experience, performance, responsibility and aligned to market-competitive benchmarks. These principles are governed by various constituency groups across the institution.

## PAY PRACTICE GOVERNANCE

PRESIDENT | PROVOST AND DEAN, SCHOOL OF MEDICINE | DEPARTMENT LEADERSHIP | HR – COMPENSATION SERVICES  
CORPORATE COMPLIANCE | FACULTY AFFAIRS | INSTITUTIONAL AND EXECUTIVE COMPENSATION COMMITTEES

## POLICIES AND PRACTICES

The MCW Faculty Compensation Policy defines compensation quartiles with recommendations on the placement of individuals based on experience and performance. Any compensation offers outside of these guidelines require additional approval.

For additional details on MCW's pay philosophy and review process, please reference the [Compensation Administration – Faculty](#) policy and the [Institutional Compensation Committee Charter](#).\*

## FAIR MARKET VALUE (FMV) METHODOLOGY

MCW's faculty compensation strategy is to have an institution-wide framework to help guide the alignment of departmental and individual efforts with the priorities of the institution. The FMV methodology establishes a standard platform to review faculty compensation from a regulatory, retention and consistency perspective. This method blends total compensation benchmark data from clinical, academic and administrative leadership survey sources into a single composite value, weighting data based on reported allocations of effort for each faculty member.

For a full perspective on MCW's FMV methodology, see the [FMV Whitepaper](#).\*



## MCW'S REVIEW PROCESSES

**A** Annually, the Office of Corporate Compliance conducts individual and cohort based reviews of all faculty compensation utilizing regression based statistical methodologies.

**N** Outliers or areas of concern are further reviewed with department leadership and written explanation is required to justify potential differences.

**A** These justifications are reviewed by Corporate Compliance and presented to the ICC. HR – Compensation Services makes adjustment recommendations and follows through with each Academic Unit Leader.

All outcomes are then presented to the President, Provost and Dean of the School of Medicine and Executive Vice President.

**O** HR – Compensation Services administers the faculty compensation policy quartile definitions and FMV benchmark methodology to recommend compensation decisions that are equitable and free from bias. All faculty compensation actions outside of guidelines require further review and approval. Any compensation changes or new hire offers that exceed the 75<sup>th</sup> percentile of FMV, are reviewed by a subgroup of the Institutional Compensation Committee.

HR – Compensation Services works collaboratively with Academic Unit Leaders on these decisions and provides consulting insights based on available benchmarks and internal data.



**Every faculty salary is benchmarked** to the best possible industry available data and reviewed in the parameters set forth in the Faculty Compensation Policy. Each Academic Unit Leader receives compensation information for all faculty in their respective unit, including the data described in this summary.



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compensation@mcw.edu

Office of Corporate Compliance  
MCW Compliance Reporting Line  
(866) 857-4943

Office of Faculty Affairs  
facultyaffairs@mcw.edu  
(414) 955-0118

\*All links in this document can also be found by searching on InfoScope

# ANNUAL EQUITY REVIEW

MCW OFFICE OF CORPORATE COMPLIANCE

## History of Corporate Compliance Equity Review

- 2006 Pilot Gender Equity Analysis in 3 Depts
- 2008 MCW-wide Gender Equity Analysis
- 2010 Bi-Directional and Peer Group Size Reduced
- 2012 Added Under Represented Minority (URM) Analysis
- 2014 Added External Benchmarking Analysis
- 2016 No Changes to Methodology
- 2018 To Be Performed this Fall

## Equity Review Methodology

### Inclusions:

- Basic Science and Clinical Department Faculty
- Chair, Chief, Professor, Associate Professor, and Assistant Professor Ranks
- DC, DDS, DO, DVM, MD, MS, PhD, PsyD Degrees
- Full-Time and FPE Faculty (Total FTE >= 0.5)
- MCW and External (e.g. VAMC) Compensation, including Bonus and Incentive
- MCW Productivity Data (Work RVUs, % of Extramural Funding to Research Salary)
- External Compensation and Productivity Benchmarks (AAMC, AMGA, MGMA, Sullivan Cotter, UHC)

### Criteria:

- Must have been employed by MCW at least 6 months of the year and
- MCW Base Salary > \$0 (e.g. excludes affiliate employees with MCW appointments)

### 1. Market Percentile Distribution Analysis (Organization Level)

All faculty compensation rates are stratified by market percentile category (<25, 25-50, 50-75, >75) and gender or URM group. Using a chi-squared test, flags a market percentile category if there are disproportionate counts by gender or URM group. If a category is flagged for review, further analysis is performed to identify the factor(s) causing the difference in distribution.

### 2. Internal Gender and URM Equity Analyses (Peer Group and Individual Level)

Assigns faculty into peer groups based on specialty, rank, and people group (e.g. faculty clinical, faculty research). Peer groups qualifying for review must have at least three faculty members and one faculty of each gender or from each URM group. Identifies peer groups where one gender or URM group has lower median compensation (\$2,000 or greater difference) and higher median years in rank. Within the peer groups flagged for a potential compensation gap, individual faculty compensation is flagged for departmental review if lower than the other group's median (\$2,000 or greater difference) and the individual has equal or higher years in rank and productivity.

### 3. External Benchmarking Analysis (Individual Level)

Flags set for further review of individual faculty compensation less than the 25<sup>th</sup> percentile with disproportionately high productivity when compared to their compensation percentiles.

### 4. Departmental Justifications and Action Plans

Obtains justifications or compensation action plans from the departments for the faculty flagged by the equity analyses in steps 2 or 3 above.