



## **Faculty Compensation—Ensuring Gender and Underrepresented Minority Pay Equity**

MCW has demonstrated best practices in ensuring gender and underrepresented minority (URM) pay equity for faculty by using internal peer groups and external benchmarks to identify discrepancies in compensation. These assessments have been completed by the Office of Corporate Compliance since 2007 for gender pay equity and 2011 for URM pay equity.

Potential disparities in compensation after adjusting for specialty, rank and productivity measures are investigated and require justification or action by the leadership of each academic department. Principles set forth in MCW's compensation philosophy and the MCW [Faculty Compensation Policy](#) guide the review of justification and action steps. During the most recent review completed by Corporate Compliance in July 2017, fewer than 1% of female faculty were identified as having a potential salary disparity requiring justification or action, and no URM faculty were identified. Detailed results were presented to MCW Senior Leadership and the Institutional Compensation Committee, and a summary of results were reported to the Council for Women's Advocacy. Additionally, the Office of Corporate Compliance has performed focused equity reviews at the request of individual departments.

MCW Corporate Compliance also cyclically performs equity analyses for staff compensation, although the methodology and frequency of these reviews varies slightly from what is performed for faculty compensation reviews.

### Governance

Pay equity is a core principle of MCW's compensation philosophy. MCW strives to maintain compensation programs that ensure pay is based on position

responsibilities, performance and experience, and aligned to market-competitive benchmarks. These principles are governed by various constituency groups across the Institution including:

- President and CEO
- Provost and Dean of the Medical School
- Chairs and Department Leadership
- Human Resources, Compensation Services
- Corporate Compliance
- Faculty Affairs
- Intuitional and Executive Compensation Committees

### Policies and Practices

MCW's faculty compensation strategy is to maintain an institution-wide framework to help align departmental and individual efforts with the priorities of the institution. The [FMV methodology](#) establishes a standard platform to review and establish faculty compensation from a regulatory, market based and consistency perspective. This methodology 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. The MCW [Faculty Compensation Policy](#) defines compensation quartiles, with recommendations on the placement of individuals based on experience, performance and responsibilities.



Any compensation amounts or offers outside of these guidelines require additional approval.

#### Formal Reviews

Annually, the Office of Corporate Compliance conducts individual and cohort-based reviews of all faculty compensation utilizing statistical methodologies. These reviews focus on compensation levels of faculty that are less than the 25<sup>th</sup> percentile or greater than the 75<sup>th</sup> percentile. Biennially, the Office of Corporate Compliance performs a faculty compensation analysis for potential gender and ethnicity equity issues that follow the methodology suggested by the U.S. Equal Employment Opportunity Commission (EEOC) and incorporates elements of the Median Compensation Analysis suggested by the Department of Labor's Office of Federal Contract Compliance Program.

Outliers or areas of concern are further reviewed with academic department leadership and written explanation is required to justify potential differences. These justifications are reviewed by Corporate Compliance and presented to the Institutional Compensation Committee. Compensation Services makes adjustment recommendations and follows through with academic department leadership to implement any compensation updates. A summary of all results and actions taken is then presented to the President & CEO, Provost & Dean of the School of Medicine, and Executive Vice President.

#### Ongoing Review

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 the Executive Compensation Committee, a subgroup of the Institutional

Compensation Committee. Compensation Services works collaboratively with academic department leaders on these decisions throughout the year and provides consulting insights based on available benchmarks, internal data, and institutional equity considerations. Academic Department Leaders also receive, as part of the annual compensation planning cycle, a compensation consulting report, reviewing the data discussed in this article with associated recommendations and next steps.

Any questions regarding any of the compensation reviews described in this article can be directed to the Corporate Compliance Office, [compliance@mcw.edu](mailto:compliance@mcw.edu), or Compensation Services, [compensation@mcw.edu](mailto:compensation@mcw.edu).

**You can reference additional information on the  
[Corporate Compliance Website](#).**