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.

**MCW’S REVIEW PROCESSES**

**ANNUALLY**

- Annually, the Office of Corporate Compliance conducts individual and cohort based reviews of all faculty compensation utilizing regression based statistical methodologies.
- Outliers or areas of concern are further reviewed with department leadership and written explanation is required to justify potential differences.
- 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.

**ONGOING**

- HR – Compensation Services administrates 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 75th 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.
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 25th 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.