Seize the Day for Achieving Pay Equity in Higher Ed

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CUPA-HR Webinar

Presenters

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Agenda

• The case for addressing pay equity – now
• It takes a team
• It takes a timeline
• It takes a budget
• It takes goals
• It takes a plan and commitment
• Others have done it; you can too
Isn’t this a bad time to do a pay equity analysis?

- Everything is up in the air right now
- We’re too busy making workforce changes in light of budget cuts
- COVID-19 has resulted in all our staff taking on more responsibility
Perfect Storm of Change

- Pandemic
- Workforce shifts
- Enrollment decline
- Budget cuts
- Equity activism for both women and racial/ethnic minorities
- Emerging legislation
Women Are Underpaid in Nearly Every Position in Higher Ed
With Each Promotion in Rank, the Representation of Female and Minority Faculty Decreases
Pay Ratio of Black Non-Exempt Staff in Higher Ed

Source: https://www.cupahr.org/knowledge-center/diversity-resources/black-and-white-higher-education-workforce/
Take Action

- Holistic Analysis
- Targeted Analysis
Identify Possible Sources of Inequity at Your Institution

- Base pay rate
- Merit increase disparities
- Bonus pay disparities
- Promotion gaps

Prevention Is Key
Formulate Your Team

- Leaders and stakeholders who will guide the effort and see it through to completion
- Title IX officer and/or legal counsel
  - Need someone who knows state and federal law around Title IX and the Equal Pay Act
- Budget Analyst
- Statistician/Data Analyst
  - Need someone with experience in regression analyses and controlling for the effects of variables
- Consider whether to outsource to a consultant, especially if doing a holistic pay equity analysis
Scope Out Your Timeline

• Have target dates aligned with your goals
• Consider budget at each stage of the timeline
• Make decisions about transparency at each stage in consultation with all team members
Identify Appropriate Comparison Groups

• Type of position you’re examining (administrator, professional, non-exempt staff, faculty) drives the comparison group and should align with your market data included in the analysis

• Region (municipal, county-wide, state-wide, national)

• Classification (doctoral, master’s, baccalaureate, associate’s)

• Size (larger R1 or smaller teaching-centric)
Collect and Organize Data – Organizational/Geographic/Market Data

• Division/school/department
• Job family/function
• Geographic location
• Market pay
• Others as determined (e.g., retention likelihood, retention importance)
Collect and Organize Data – Employee Data

- Sex/gender
- Race/ethnicity
- Age
- Exempt status (exempt or non-exempt)
- Length of time in position
- Pre-hire experience (will need to be quantified)
- Education (pre-hire and post-hire)
- Certifications or other credentials
- Performance ratings
- Promotion history
Statistical Analysis

• Important to control for certain variables with regression or other methods

• Will need to weight variables for various positions (e.g., education will have a lot of weight for some positions, moderate weight for others, and 0 weight for others)

• A good statistician/data analyst will be able to help you:
  • Tease apart the relative contributions of each variable to pay inequities
  • Identify the areas where you have the greatest problems/inequities
Drawing Conclusions/Making Decisions

• Important to recognize that pay differences MAY be explained by differences in a variable other than gender or ethnicity or age
  • Experience, education, performance ratings, etc.

• HOWEVER, it is equally important to recognize that these other variables may themselves be biased

• You have a problem EVEN IF you can “explain away” pay inequities with these other variables
Know Where Your Organization Stands

• To approach better pay equity, it is crucial to know where your organization stands

• CUPA-HR’s Data on Demand tool

• Not knowing = perpetuation of, rather than correction of, ongoing issues
Pay Inequity at Your Institution

• Deviation from market/industry salary data
• Distribution of internal controls for salary-setting
• Inconsistent classification system and/or salary structure
• Lack of transparency in compensation philosophy across organization
• Occupational segregation
• “This is how we’ve always done it” compensation mentality
• Unconscious bias in pay practices
• Vertical gender segregation
Pay Equity Is Important to Employees

• Equal Pay Day

• “Ban the box” legislation and shift to pay transparency

• Consistent data from CUPA-HR, professional salary surveys, and HR organizations that points to disproportionate pay across populations

• Numerous news headlines of pay equity lawsuits and settlements
Pay Equity Lawsuits in Higher Education

2018
- University of Cincinnati: settlement of $212,500
- University of Denver: settlement of $2.66M

2019
- University of Arizona: settlement of $190,000; 2nd settlement of $100,000
- University of Miami faculty files gender pay discrimination complaint with EEOC; EEOC sues UM

2020
- Illinois State University: faculty alleges gender pay discrimination; litigation pending
- University of Denver: 2nd settles gender pay discrimination case in undisclosed amount
Pay Equity Analysis in Higher Education

- University of Maine
- University of Texas at San Antonio
- University of Oregon
- University of Denver
- Various market-par pay equity analyses
1. Pay gaps in higher education are apparent
2. Pay equity analysis involves significant planning
3. Robust data collection is crucial to in-depth analysis
4. Take a realistic look at your institution to figure out where to start
5. Follow the headlines: pay equity is an important and timely topic, and that trend is only going to intensify over time
CUPA-HR Webinar

Have a Question?

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Thank You