Salary Equity Studies

- Assess pay within an organization to ensure equity
- Recommend that they are periodically done
- Implies developing an ongoing process to correct observed pay inequities
- Demographic variables AND other important organizational variables (e.g. rank, job tenure, etc.)
- Complicated (comparing apples, oranges, ham sandwiches, and bicycles)
- Lots of ways to do them wrong!
## Benchmarking and Salary Equity

Different, but Interrelated

### Benchmarking Study
- Outwardly focused vis-a-vis peer group/s
- External data, aggregate, mean salaries only
- Very limited control data available (AAUP, CUPA-HR) - *when is a gap a gap?*
- Broad trends and comparisons, interpret cautiously
- Goal: advocacy for larger merit pool or across-the-board percentage increases, other compensation increases

### Salary Equity
- Internally focused on gender and race gaps in salary, salary compression/inversion
- Internal data, individual data and many levels of aggregation, mean and median salary data
- Better access to control variables, more nuance
- Goal: internal equity and consistency, policy
- Important precursor to any benchmarking study (mitigate risk to increasing inequities through benchmark alone)

*Both can contribute to understanding salary distributions.*

*Neither incorporates all types of faculty compensation.*
## Data - Variables considered being used in salary equity analysis at Lehigh University


<table>
<thead>
<tr>
<th>Base Salary (9-month salary) (Outcome Variable)</th>
<th>Rank</th>
<th>Field(s) of Study (CIP 2-digit or 4-digit CIP disciplines)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race/ethnicity (Minority vs Non-Minority)</td>
<td>Tenure Status</td>
<td>Department/Program Head Status</td>
</tr>
<tr>
<td>Age</td>
<td>Years in Tenure</td>
<td>Department or Division</td>
</tr>
<tr>
<td>Age at Hire</td>
<td>Years in Rank</td>
<td>College</td>
</tr>
<tr>
<td>Gender</td>
<td>Rank at Hire</td>
<td>Appointment Year (Hire Year)</td>
</tr>
<tr>
<td>Years since Highest Degree</td>
<td>Break in Service/ Sabbatical</td>
<td></td>
</tr>
</tbody>
</table>
Analytical Challenges

- Small numbers (~500 faculty)
- Descriptive statistics are not explanatory
- Accounting for “observed” gaps with controls
  - Many variables (identify the best model)
  - Multicollinearity
  - Right unit of aggregation (colleges? departments? divisions?)
  - Confidential data (level of aggregation we can show)
  - Handling outliers

- Measures of productivity and quality
  - Often subjective
  - Quantitative measures are proxies at best (biases embedded in metrics)
  - Highly variable across fields
  - Not recommended in data analysis, but in application
Post-analysis Processes (include timeline)

- Often the hardest part: we must understand the data well before determining a strategy for action and moving to the equity adjustment step
- What is the best comparison group? Are we most concerned with gaps within departments? Within colleges?
- What level of intervention are we aiming for? Over what period of time?
- Budget: values are embedded. What proportion of available $ is for equity vs. other pay increases? Which will lead?
- Long-term/ongoing process for addressing salary equity
- Timeline: analysis done and data presented late Spring 2022 (disaggregated where confidentiality is protected)