FACULTY SALARY EQUITY: Issues and Options

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How do you develop a salary equity analysis procedure that will help identify whether or not your institution has a reasonably equitable and legally defensible salary structure? This paper presents a multiphase approach to identify and correct salary inequities based on gender. The major steps are to (1) determine if a problem situation exists by using a conceptually sound, objective procedure that does a legal and effective job of explaining faculty salaries; (2) develop feasible adjustment strategies if inequities exist that solve or improve the situation; (3) implement the correction and establish a monitoring process that is consistent with the culture and values of the institution. Involving and educating key university personnel in the selection of models and strategies is critical to acceptance and validation of the process and to minimizing negative reaction internal or external to the campus. This paper is designed to be helpful to administrators and researchers who need to make informed choices about salary equity models and implementation strategies.

It is hard to miss the media attention focused on gender equity issues for faculty. In the last few years, *The Chronicle of Higher Education* and other higher education publications have run a number of articles ranging from reports of settlements for female faculty members and reinstatements of faculty members to cases of reverse discrimination. Salary differences between male and female faculty are pervasive and well documented (Moore and Johnson, 1989; American Council on Education, 1990) and seem to persist even when controlling for any number of variables thought to be important to explaining faculty salaries. The prospect of lawsuits by female faculty based on the Equal Pay Act, or more likely, Title VII of the Civil Rights Act, inspired many campus administrators to test their salary structures at least once to ascertain the extent of the local problem and their legal liability. Others have found that a single fix is never sufficient and have managed, over time, to implement a relatively well-accepted process for review and adjustments. The issue has not gone away, however, and it appears to be even more pressing as colleges and

universities begin to take seriously a commitment to diversity and looking at factors critical to recruiting and retaining female faculty.

Whatever the motivation, it is not easy for administrators to know how to proceed with salary equity studies since there are numerous legal, technical, and political complexities to be considered and resolved. Some common questions that must be dealt with include:

1. How do you determine if a problem situation exists?
2. What, if anything, can or should be done to correct the problem situation?
3. How do you deal with interest groups pressing for involvement or disclosure of the details of the process, or with those who criticize the methodology so severely that they dismiss the evidence and deny the need to take action?

For those who embark on salary equity studies, there are two logical choices of methodology: paired-comparison approach and regression analysis (Cunningham and Hemmeter, 1991; Hengstler et al, 1982; Braskamp and Johnson, 1978). Some campuses have successfully used a combination of the two, by using a regression analysis to identify individuals with salaries lower than predicted by the model and then turning to careful review of individual cases to determine if there is a problem and its extent. This paper will focus on the issues surrounding the development of a salary equity study using regression analysis because this is a common methodology for identifying the location and magnitude of problems related to faculty salaries (Rosenthal and Yancey, 1985) and is increasingly used by both plaintiffs and defendants in salary discrimination litigation (Tesfagiorgis, 1991). Implementation issues will also be given some attention since this part of the process may also present difficulties.

DEVELOPING A REGRESSION MODEL

In the simplest terms, regression analysis is a statistical method for explaining the variance of a dependent variable such as faculty salaries. By testing various combinations of variables thought to be important in setting or explaining faculty salaries, the researcher seeks the “best fit” of explanatory variables for the set of salaries under review. Although there are a number of statistical procedures available to model salaries, linear regression is generally the model of choice (Gray, 1985; Smart, 1991). It uses some standardized (often academic-year) salary as the dependent measure and a variety of independent variables depending on institutional priorities and available data.

There are several alternative regression models. Moore (1992) reviewed salary equity models used at twelve institutions, as well as those discussed by Pezzullo and Brittingham (1979) in Salary Equity, and identified two major types of models. The first was to predict white male salaries and then apply the