Salary Equity Recommendation Committee

FINAL REPORT

Submitted September 1, 2016
Introduction

In 2015, the SFU Salary Equity Working Group released its report (The Report) of its quantitative analysis of gender disparity in faculty salaries in the years 2004 — 2013 at SFU. A summary of the findings is as follows:

- The gender salary gap amongst full time, research faculty while controlling for rank, department and years of service was approximately zero in 2004, but grew to over $2400 (1.7%) by 2013.
- There is no gender gap among teaching faculty.
- The gender salary gap is primarily driven by gender gaps in off-scale amounts, most notably market differentials, and not by gender gaps in base salary.
- Pooling across all years in the study, there is a gender gap of $2600 in starting salaries. This gap is fully accounted for by poor access of women to off-scale supplements in high-salary departments.
- No evidence was found of gender disparity in promotion rates; however, male and female faculty who take parental and/or medical leaves face lower odds of promotion.

The Salary Equity Recommendation Committee was tasked with issuing a set of recommendations to both address the above empirical observations and prevent future inequities. Its terms of reference are attached to this report as Appendix A.

Committee membership consisted of the following:

Bertille Antoine, Associate Professor, Department of Economics
Claire Cupples, Dean, Faculty of Science (Committee member from June 29, 2016)
Olena Hankivsky, Professor, School of Public Policy
Mary-Catherine Kropinski, Professor, Department of Mathematics
Krishna Pendakur, Professor, Department of Economics
Ingrid Leman Stefanovic, Dean, Faculty of Environment
Catherine Stoddard, Director, Academic Relations
Brenda Taylor, Director, SFU Human Rights Office

Associate Vice-President Academic, Dr. Gordon Myers, originally co-Chaired the Committee with Dr. Mary-Catherine Kropinski. Dr. Myers was eventually unable to continue to serve from mid-June, at which point Dr. Stefanovic assumed responsibilities of Co-Chair with Dr. Kropinski. Dr. Cupples joined the committee as an alternate member at the request of Vice-President Academic Jonathan Driver.

In addition, the work of the Committee was supported by a Research Assistant, Linda Mussell, who conducted relevant background research and provided briefings to the committee. Her findings are available for public access at:
http://www.sfu.ca/vpacademic/committees_taskforces/adhoc/saleqrec.html
A comprehensive literature and policy review was undertaken on a total of 227 universities from 17 countries (Canada, United States, Australia, New Zealand, The United Kingdom, Netherlands, Belgium, France, Spain, Switzerland, Germany, Luxembourg, Sweden, Norway, Finland, Denmark, and Iceland). The review generated findings on standard/widespread and innovative equity practices in relation to salary compensation models and institutional strategies. Countries were primarily selected based on ranking in OECD’s pay equity list (2014). Individual universities were selected according to the top ranked universities by country listed in Times Higher Education’s online resource (2016).

Finally, the work of the Committee was informed through a survey that was emailed to all faculty members, requesting their feedback on questions relating to gender equity issues at SFU. For more information, please refer to the link above.

**Guiding Principles**

In seeking to identify recommendations to address gender inequity in faculty members’ salaries, the committee has aimed to identify an optimal process that respects the following principles:

1. Advance equity, distributive justice, fairness and high integrity of all procedures and recommendations by:
   a. Maximizing justifiable salary corrections;
   b. Preserving transparency of process without compromising individual privacy;
   c. Addressing gender inequities without inducing or compounding additional inequities elsewhere;
   d. Acknowledging legal, civic and human rights of others;
   e. Demonstrating critical awareness of other, common procedures and salary compensation models;
   f. Supporting a culture of deep respect towards women and the priority of gender equity across the university at all levels.

2. Minimize arbitrary assessments by:
   a. Seeking predictability and statistical certainty of outcomes;
   b. Enabling timely and resource-efficient implementation of salary corrections/compensation;
   c. Seeking evidence-based solutions to problems of salary inequities;
   d. Explicitly acknowledging any inevitable limitations in knowledge, methods or findings;
   e. Being clear and straightforward in communicating recommendations and the reasoning behind them;
   f. Inviting and respecting continuing stakeholder consultation and input.
3. Rectify discriminatory practices to eliminate future inequities and avoid further harms.

4. Serve as a model process for addressing other human rights-based vulnerabilities or examples of injustice beyond gender inequity amongst faculty members.

**Recommendations**

The committee has unanimously developed two sets of recommendations. The first set addresses salary disparities. The second addresses structural and institutional remedies.

**Salary Disparity Recommendations:**

The committee is recommending a permanent salary increase of 1.7% for all female full-time research faculty members on tenure-track or in tenured positions, effective immediately. Recognizing the impact on pension contributions and lost wages over a number of years, the committee also recommends a group award to all full-time female research faculty of 1.76%, retroactive to January 1, 2009; this should include women who have retired during this time frame.

Additionally, the committee makes the following recommendations to address current and future disparities:

1. Salaries should continue to be monitored for gender inequities; regression analysis should be conducted every three years to ensure no inequities have arisen.

2. Additional data should be collected to protect the rights of all disadvantaged groups on campus, including the Employment Equity Act targeted groups: women, people with disabilities, aboriginal peoples and visible minorities. This will require high quality disaggregated data, including but not limited to gender, to fully capture the diversity of SFU faculty.

3. There should be increased transparency around starting salaries, market differentials and the use of other off-scale supplements. The committee believes that the new collective agreement is an excellent starting point for providing such transparency.

4. The anomaly review process should be revised so that it becomes a transparent and robust mechanism for correcting individual salaries. Suggestions include, but are not limited to the following:
   a. The total salary should be considered, and not just the step placement.
   b. Appropriate comparator salaries should be data driven, or at the very least, it should be made completely transparent what the comparators are.
5. Once a more transparent and robust anomaly review process is in place, the committee recommends the prioritization of the following cases:
   a. Women hired after 2004 should have their starting salaries examined for disparity.
   b. Women hired in higher-paying units prior to 2004 should have their entire salaries examined for lost wages and pension contributions.

Rationale for Recommendations:
There are essentially three different compensation models, which can be used alone or in combination to address gender pay gaps:

- **Group Award**: An award given to all women. The amount is determined through regression analysis.
- **Below-the-Line Correction (BLC)**: Salary corrections are made only for those women whose salaries are below their predicted salaries, as determined by regression analysis.
- **Individual Case Review (ICR)**: Individual faculty members apply to have their salaries reviewed. Only those that are judged to be too low are corrected.

There is a variety of ways each of these models can be implemented. In Appendix B, we provide a detailed list of the methods we considered, together with their pros and cons.

We eliminated the ICR as one of our options in short because it violated a number of our principles, perhaps the most significant of which is that there is ample evidence that it is not effective in eliminating gender pay gaps. In addition, it was felt that constructing a transparent and robust process by which to conduct an ICR would be difficult, and conducting an ICR on the scale that is needed would be enormously time consuming.

Similarly, we eliminate the BLC model, since it has been shown that the outcomes of BLC are less predictable, and while it has been used with some success in correcting salaries, the results are highly varied.

This leaves us with the Group Award, which could be applied as a fixed dollar or proportionate amount. Group awards have been used to good effect in correcting gender salary gaps, and have recently become the method of choice in Canada (Manitoba 1994, UBC 2012, UVic 2014, McMaster 2015, and most recently by Waterloo).

We recommend a proportionate award, since it is consistent with the observation that the gender pay gap is larger in departments that have higher salaries. Below are further comments about this recommendation:

- In 2013, which is the most recent data, the proportional pay gap was determined to be 1.7%. Hence, we recommend that all current female research faculty have their salaries permanently increased by 1.7%.
• The proportional pay gap becomes statistically significant in 2009. From 2009 through 2013, this amount varies between 1.4% to 1.7%, with an average variation of 1.6%. To compensate for lost wages and pension contributions over this time period, we recommend a group award of 1.76% retroactive to 2009.

• Although regression analysis does not show statistically significant differences in the salaries of men and women in the lower-paying departments (those with an average market differential less than $2500, see Tables 11a and b of The Report), the point estimates suggest that women do earn less in these units, especially towards the end of the period. Because these differences lack statistical significance, it is hard to make a convincing case that gender explains these observable differences in pay levels when these departments are viewed in isolation. However, the observable disparities are consistent with the larger pattern of inequity in salaries across the campus in general, and would appear to be reasonably explained as resulting from a gendered bias in compensation, given that this explanation seems to be valid at the level of faculty as a whole (Table 3). Additional over-time analysis was done to further investigate this observation (see Appendix C), which reveals that there is a gender disparity in the lower-paid units after 2008, in the amount of approximately $1000. Thus, it seems appropriate to include all women in our recommendation.

• The Report looks at salary data in multiple ways, and no single solution will address all of the observations that were revealed. By proposing the group proportionate award, we fix the unexplained disparity in log salaries (Table 3). The other concerns raised in The Report are no less important, and we have attempted to address them through our additional recommendations above, as well as the Structural Institutional Remedies.

• The group award may induce a gender gap against men in lower paid departments. This situation should be monitored carefully going forward. Where relevant, these men can apply for an anomaly review under a new transparent and robust process. Note that a proportionate award is less problematic in this regard than a group fixed-dollar award (see Appendix B).

• The proposed group award will likely under-compensate women in higher paying departments (Table 11b, Appendix C). This may well be a problem, although the number of women affected may be small, and may be best dealt with by looking at these cases individually.

• For women hired 2004 or after, differences in starting salaries may be corrected with anomaly processes that use existing data on salaries in SFU’s computerized salary database. However, these data are not easily accessible prior to 2004. Approximately 50 women in higher-pay units were hired before 2004. Disparities in their salaries may have resulted in a significant loss of wages and corresponding pension. It may be difficult to assess salary disparities for this group. A more transparent and robust anomaly process is needed to deal with this issue.

Discussion of Structural, Institutional Recommendations:

The SFUFA SER Committee was mandated by the VP Academic to (inter alia):
• Identify mechanisms for preventing future inequities from developing; and -
• Establish a process to monitor gender-based salary inequities to ensure that they do not recur.

The Committee is unanimously of the view that salary inequities have developed and persist, in part, because the Equity portfolio is under-resourced at this University. For example, UVic is two-thirds the size of SFU, but has seven full-time positions dedicated to the Human Rights and Equity Portfolio. This level of resourcing is also the norm in other Canadian comprehensive universities of our size and composition. In contrast, SFU has one position dedicated to the human rights and equity function, with a very small budget and no support or program personnel. This is inconsistent with a transparent and robust approach to human rights and equity.

The Committee hereby recommends the establishment of the position of "Vice President, Human Rights and Equity" (VPHRE). To signify the importance and independence of the position, we recommend that the incumbent have a dotted line reporting relationship to the Board of Governors, similar to that enjoyed by the Internal Auditor and the University Secretary.

We further recommend the inclusion of two senior staff positions in the VPHRE's portfolio:

(i) The Senior Director of Human Rights (the existing position title is the Director of Human Rights and Equity); and-

(ii) The Senior Director of Employment Equity, a new position responsible for employment and gender equity.

**The Senior Director of Human Rights (DHR)** This renamed and augmented position will act pursuant to General Policy 18 in all human rights legal matters involving the University; provide advice and guidance on a full range of human rights issues; identify, analyze and assess potential legal risks to the University; negotiate and draft agreements and settlements; resolve human rights complaints and disputes. The DHR will investigate allegations made by complainants; reject complaints that are outside the scope of GP18; design and implement human rights education and training for all faculty staff and students.

**The Senior Director of Employment Equity (DEE)** This proposed position will work with Human Resources and Faculty Relations to ensure the ongoing monitoring and evaluation of equitable employment policies and practices, consistent with relevant policies and labour agreements, across the university. The office of the DEE will work with the leaders of academic units within the portfolio of the Vice-President, Academic to develop tools, and implement policies and procedures, to ensure equity in all aspects of faculty member hiring, promotion and evaluation as outlined in Article 13 of the SFUFA Collective Agreement.
In this context, the committee highlights the following priorities to be implemented at SFU:

- Annual and at-need training of TPCs, search committees, departmental chairs and deans to ensure compliance with equity policies and development of best practices around candidate selection, hiring and promotion (Article 13.2);
- Development of clear processes to assist academic units with recruitment efforts so as to provide consistency across units;
- Establishment of faculty mentoring programs including, but not limited to, the four groups referenced in the Employment Equity Act (women, visible minorities, people with disabilities and members of the First Nations);
- Establishment of employment equity committees in each academic Faculty, each of which will have input into the University Employment Equity Advisory Committee described in Article 13.6;
- Development of robust, common databases to provide academic administrators with clarity, transparency and policy guidance with respect to starting salaries, retention awards, market differentials, course buy-outs, spousal appointments (including the management of potential conflicts of interest for spouses in the same administrative unit), and the allocation of Canada Research Chairs (CRCs);
- Development of a clear policy to guide the CRC nomination processes, with their associated commitment of salary and research stipends, and CFI allocations;
- Development of best practices around the administration and use of student course evaluations so as to minimize and/or adjust for the effects of bias unrelated to instructional ability and practice;
- Periodic assessment of the appropriateness and equity of mechanisms of non-salary forms of compensation and support within academic units (start-up grants, research space, course releases, etc.).
- Oversight of the provisions of the SFUFA Collective Agreement to prevent “special deals” and “end runs”.
- Development and application of a transparent and robust process of salary anomaly review that includes appropriately broad, inclusive consultation (Article 13.4).

We also encourage the development of career training for graduate students and post-doctoral fellows, particularly around successful job application practices.
Appendix A: Salary Equity Committee Terms of Reference

Salary Equity Recommendation Committee
Terms of Reference

Membership: The Committee will consist of eight members with four members appointed by SFUFA and four members appointed by the University.

Alternate Members: To ensure continuity, alternates will not be used to substitute for committee member absences; however, if a member is unable to continue on the committee, a new member may be added.

Quorum: Will be six committee members, with at least three from each party (unless either party waives their requirement for quorum).

Chair: The committee will be co-chaired by one administration appointee and one SFUFA appointee.

Confidentiality: To promote free discussion, the committee’s work and deliberations will be kept confidential. Each party may report to or seek advice from its sponsor (i.e. VPA or SFUFA executive.) If the committee recommends broader consultation (e.g. surveys, town hall meetings), both sponsors must approve.

Duties of the Committee: The Committee will deliver a report to SFUFA and the University by August 1, 2016, that proposes solutions to faculty salary inequities at SFU. The report is expected to address each of the following:

1. Possible methods of dealing with current inequities identified in the previous report;
2. Mechanisms for preventing future inequities from developing; and
3. Establishing a process to monitor for emerging salary inequities on a continuing basis.

In particular, the Committee will:
1. review the report of the Salary Equity Committee (July 2015)
2. review and report on solutions that have been implemented at comparable universities to solve similar problems, and evaluate their feasibility in the SFU context.
3. If necessary, seek further data/factual information from the university; the VPA may decide to provide resources to assist the committee with its research.

In its report, the committee may decide to indicate whether options have unanimous, majority or minority support from the committee members.

The Committee shall review these Terms of Reference and may, not later than before its third meeting, recommend any unanimously-supported amendments to the University (Vice President Academic) and SFUFA (President).

Dissemination: the report of the committee will be made public in a time and manner jointly agreed between SFUFA and the University.

Agreed this 11 day of February, 2016.

Neil Abramson    Jon Driver
For the Association    For the University
## Appendix B: Consideration of Different Salary Compensation Models

<table>
<thead>
<tr>
<th>Method</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group Award</strong></td>
<td>- Simple, automated, does not require the discretion of individual(s) to implement.</td>
<td>- One-size-fits-all; blunt-seeming given the fine-grained, multi-modal analysis in The Report;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Will induce gender inequality, to the detriment of men, in units that do not currently have gender inequality.</td>
</tr>
<tr>
<td><strong>GA 1: Permanent proportionate full salary increase for all female faculty members.</strong></td>
<td>- Reduces gender inequality most in units facing the most gender inequality (higher paid units);</td>
<td>- Increases inter-unit inequality and inter-rank inequality.</td>
</tr>
<tr>
<td></td>
<td>- Similar to corrections made at other BC and Canadian institutions with evidence that it is effective;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- More effectively addresses the empirical observations seen in The Report than options GA2- GA4, below;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Consistent with regression analysis in The Report; provides mechanism for accountability.</td>
<td></td>
</tr>
<tr>
<td><strong>GA 2: Permanent proportionate base salary increase for all female faculty members.</strong></td>
<td>-</td>
<td>- Inconsistent with observation that the base salary is not driving the gender gap at SFU;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Inconsistent with regression analysis.</td>
</tr>
<tr>
<td><strong>GA 3: Permanent proportionate MD increase for all female faculty members.</strong></td>
<td>- Reduces gender inequality most in units facing the most gender inequality (higher paid units).</td>
<td>- Increases inter-unit inequality;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Inconsistent with regression analysis;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Compensation is based on a possibly negotiated item;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Excludes a significant number of women.</td>
</tr>
</tbody>
</table>
| **GA 4: Permanent fixed dollar salary increase for all female faculty members.** | - Similar to corrections made at other Canadian institutions; all females would benefit;  
- Consistent with the regression analysis; provides mechanism for accountability. | - Compensates lower- and higher-paid units in the same amount, which is inconsistent with observation. |
| **Individual Case Review** | - Targeted to individuals in most need of a salary correction. | - Time consuming and complicated to implement as it requires a lot of information to find comparator salaries which could be found within-unit, within-subfield within-unit, or even across units; requires examining CVs of individuals;  
- Relies on individual or committee discretion; susceptible to structural gender biases;  
- Generally requires individual to self-identify that their salary is too low;  
- No evidence of success for eliminating gender pay gap; ample evidence of failure;  
- Inconsistent with regression analysis; no obvious accountability mechanism. |
| **Below-the-line Correction** | - Targeted to individuals whose salaries are below their predicted salaries from regression analysis. | - Outcomes are not predictable; no clear evidence that it works in eliminating gender gap;  
- May reward lower-productivity females;  
- Inconsistent with regression analysis. |
Appendix C: Further Analysis

A further analysis of the salary data was conducted in order to determine whether or not the overall lack of gender disparity The Report found in base salary and in lower-pay departments is constant over time.

New models analogous to Tables 5, 11a and 11b from The Report were estimated, which pool all the years of data together (yielding greater precision) and include both a gender indicator and a gender indicator interacted with the year being 2009 or after. These models include all the regressors as before plus indicators of the year of the observations.

Table 5 analogous regression estimates:

Table 5 Analogous Model

<table>
<thead>
<tr>
<th>Gender</th>
<th>Base</th>
<th>Retention</th>
<th>Other off-scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre 2009</td>
<td>460</td>
<td>51</td>
<td>-1121</td>
</tr>
<tr>
<td></td>
<td>(354)</td>
<td>(261)</td>
<td>(673)</td>
</tr>
<tr>
<td>Post 2008</td>
<td>-695</td>
<td>-28</td>
<td>-2112</td>
</tr>
<tr>
<td></td>
<td>(316)</td>
<td>(277)</td>
<td>(781)</td>
</tr>
<tr>
<td>Difference</td>
<td>-1154</td>
<td>-79</td>
<td>-992</td>
</tr>
<tr>
<td></td>
<td>(320)</td>
<td>(221)</td>
<td>(458)</td>
</tr>
</tbody>
</table>

robust standard errors in *italics and between parenthesis*

Observations from Table 5 Analogous Model:

i. Base salary was slightly (but insignificantly) higher for women before 2009 and slightly (and significantly) lower for women after 2008. The post 2008 gender gap is $695;

ii. Retention awards showed no difference across the period;

iii. Other off-scale amounts (mainly market differentials) were lower for women prior to 2008 and lower yet after 2008. The post 2008 gender gap is $2112.

Tables 11a and 11b Analogous Models

<table>
<thead>
<tr>
<th>Gender</th>
<th>Lower-pay</th>
<th>Higher-pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre 2009</td>
<td>-38</td>
<td>-1288</td>
</tr>
<tr>
<td></td>
<td>(573)</td>
<td>(1093)</td>
</tr>
<tr>
<td>Post 2008</td>
<td>-1019</td>
<td>-3376</td>
</tr>
<tr>
<td></td>
<td>(635)</td>
<td>(1189)</td>
</tr>
<tr>
<td>Difference</td>
<td>-981</td>
<td>-2087</td>
</tr>
<tr>
<td></td>
<td>(535)</td>
<td>(898)</td>
</tr>
</tbody>
</table>
Observations from Tables 11a and 11b Analogous Model:

i. In lower-pay units there was no gender disparity before 2009, but after 2008, a (marginally statistically significant) gender gap of $1019 opened up;

ii. In higher-pay units, the gender gap was of a similar magnitude ($1288) but statistically insignificant before 2009. The gender gap post-2008 in higher-pay units is much larger and statistically significant $3376.

These findings add a new shade to our previous discussion. The Report argues that there is no evidence for gender salary disparity in base salary or for gender salary disparity in lower-pay units (where pay is almost entirely from base salary). However, this over-time analysis suggests that there may be gender disparity in these dimensions after 2008, in the amount of roughly $1000.

That we do not see statistically significant gender disparity in higher-pay units in the early part of the period suggests that starting salaries in recent years might be very important to the post 2008 gap.