

A Report from the Compensation Committee to the Assembly on the Hauser Report

From the moment that the Hayes/Hill report was published, there has been concern that the compensation plan it created failed to eliminate pay inequities within the University System. To resolve this question, Chancellor Donna E. Shalala called upon Vilas Research Professor of Sociology Robert M. Hauser to review the academic-staff title and compensation structure. Professor Hauser is an internationally renowned sociologist, a member of the National Academy of Science, and a fellow in the American Statistical Association. Professor Hauser and Taissa S. Hauser, Associate Research Scientist in the Department of Sociology, have now stated some conclusions in their "Interim Report on Pay Equity Among Category A Academic Staff at the University of Wisconsin-Madison." The Compensation Committee has studied the "Hauser Report" in detail and Professor Hauser has appeared before the Committee to answer our questions. We are persuaded that the Hauser Report has demonstrated beyond reasonable doubt that the current compensation plan for Category A academic staff perpetuates pay inequities that existed prior to the adoption of the Hayes/Hill plan.

Chapter 36.09(1)(k)(1) states that "The board shall, with respect to academic staff, correct pay inequities based on gender or race." This clearly has not happened. If for no other reason than to be in conformity with the law, System Administration should undertake the recommendations contained in the Hauser Report. Frankly, however, some members of the academic staff would be unenthusiastic about this effort if it required that market forces be subordinated to some arbitrary statistical manipulation of salaries in the cause of pay equity. This, happily, is not the case. Market factors entered into the Hayes/Hill compensation plan through the estimation of the payline. The Hauser Report accepts the relationship between salary grade and actual salary adopted in the Hayes/Hill

compensation plan. The Hauser Report has concluded, however, that there are deviations from the payline due to gender and minority status that cannot be explained by differences in education, work experience, or the operation of an efficient free market.

Despite Hayes/Hill, the Hauser Report concludes, and we agree, that gender alone accounts for men's salaries being 13.7% greater than women's salaries. Similarly, the salaries of majority staff are still 6.3% higher than minority staff when education and work experience are controlled for. The Hauser Report concludes that "11 percentage points of the salary differential between men and women could have been, but were not addressed" by the compensation plan and that "1.5 percentage points of the salary differential between majority and minority employees could have been, but were not addressed."

The Hauser report proposes an orderly procedure for revising the compensation plan "within the framework of the existing title and prefix structure and of the Hayes/Hill evaluation System." This procedure "must be designed, monitored, and coordinated by the UW System." We urge that the process recommended be implemented. Specifically, we endorse the Report's proposals to:

1. Redesign the Position Description Questionnaire (PDQ) and develop coding materials for it.
2. Administer the redesigned PDQ to Category A academic staff and code them centrally.
3. Review the PDQs and job evaluations at campus level to revise the classification of staff by job title.
4. Use the data from the revised PDQs to reevaluate the placement of job titles and prefixes within the salary grade hierarchy, and provide a revised mapping from title, prefix, and scope to salary grade.
5. Revise the Category A payline using the revised assignments of title series to salary grades.
6. Monitor the elimination of bias in the evaluation of jobs and the classification of employees.
7. Revise individual salaries to bring them into conformity with the revised pay plan.

The Hauser Report estimates that it will take at least one year to complete this step-by-step process and it warns against trying "to fix obvious problems quickly, before all of the parts of the revision have been developed and tested." We concur, and we urge that Steps 1-7 be completed by 1 July 1990.

While the Hauser Report limits its analysis to Category A academic staff, we know from the UW System Office of Women Report that pay equity problems in Category B (Research and Instruction) are at least as severe as in Category A and may be worse. The Hauser Report states "that it should be a high priority of the UW-Madison to obtain valid measurements of pay equity among Category B Academic Staff." We urge that this be done by 1 July 1990.

When the procedures recommended in the Hauser Report are completed, and when salary levels have been determined that will rid the compensation plan of pay inequity, the UW System should request funds from the governor and the legislature sufficient to implement the new compensation system and should be prepared to utilize its own resources if necessary.

The University is very close to achieving a long-sought ideal: a salary structure free from gender and racial bias. The method has been devised. The human resources are available at the UW-Madison and within the System to do the job. The legislature has in the past indicated a willingness to support this ideal. We urge System Administration and the Board of Regents to undertake this worthwhile objective and that a new compensation plan be fully implemented by the end of the 1989-91 biennium.