

90-minute Compensation Pillars of Equity Assessment

Why Use This Worksheet

The default approach to compensating talent isn't equitable. So we can’t use the old rules and systems and expect different results. We empower mission driven organizations like yours to reimagine the process, beginning by wrestling with the big questions—such as whether you pay people based on merit, experience, or both—to ensure decisions are grounded in your values. The worksheet beginning on the next page is intended to help you assess the extent to which your compensation program aligns to the core pillars of compensation equity we recommend to all our clients. We recommend you work with a diverse group of 3-5 colleagues from management as well as your HR/People team to work through this exercise together.

# Assessment

Use the scale below to assess the extent to which your compensation program aligns to the core pillars of compensation equity we recommend to all our clients.

| **1** | **2** | **3** | **4** |
| --- | --- | --- | --- |
| We have no insight into this area. | This is not written in policy, but we have done this before. | This is our policy, but there is variance by team and manager. | This is consistently true across our organization. |

| Transparency |  |
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| 1. **We publish salary ranges for each role.** |  |
| Candidates should know how a role will be compensated in your organization. This helps them decide whether a role fits their personal requirements without having to disclose their individual salary needs to a hiring manager. |  |
| 1. **We tell candidates how their experiences have been assessed.** |  |
| If starting base salaries are determined by an assessment of candidate experience, it’s crucial to loop back with a staff member and let them know where you saw strengths and needs so they understand their placement on the salary range and their potential for salary growth within a role. |  |
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| Parity |  |
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| 1. **Employees with the same role are paid on the same scale.** |  |
| Equal pay means people in the same role make the same salary. Equitable pay is about compensating staff consistently using the same, transparent criteria for a common salary scale. Employers should be able to justify salary differences based on staff member experience, credentials, competency or performance. |  |
| 1. **We use job level bands, not individual ranges, to determine salaries.** |  |
| The market often values roles of similar complexity differently, meaning people in different departments with the same scope of work won’t make the same salaries. Historically there is a premium applied to fields severely lacking in diversity. Compensation structures can correct for that by grouping roles together by scope and responsibilities. |  |
| 1. **We pay the market rate for a set of responsibilities, not just job titles** |  |
| Titles vary dramatically across organizations, so benchmarking by title alone prevents an employer from valuing contributions appropriately. |  |

| Consistency |  |
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| 1. **We have a structure that clarifies how employees are paid and limits manager discretion.** |  |
| Managers are human, and want their staff to feel supported. Without policy that clarifies how salaries are set and adjusted, managers are susceptible to bias-driven compensation. The human resources team should collaborate with managers to ensure experience, competency or performance has been assessed accurately so that compensation is fair. |  |
| 1. **We have a non-negotiation policy.** |  |
| There is no fair way to approach salary negotiations. At the root of it, people only have to negotiate when employers lowball the salary offer. In addition, research demonstrates that no matter how trained women and people of color are as negotiators, they are not more likely to receive an adjusted counter offer. If negotiation is allowed, it disproportionately advantages the majority and undermines efforts for internal parity. |  |
| 1. **Employees understand how their salaries are determined and do not have to advocate for themselves.** |  |
| If staff are expected to ask for a raise and demonstrate why they’ve earned it, it’s likely many staff will never do so. Instead, a more equitable approach is to ensure there is a process to calibrate at least annually and make proactive adjustments to base pay. Research proves that some staff are less likely to have a manager advocating on their behalf and advocacy based salary increases do not produce an equitable distribution of pay increases. |  |

| **TOTAL SCORE** | **0-16** | **17-29** | **30-32** |
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|  | You might be feeling overwhelmed...we’re here to help. | You have some bright spots, but have critical areas requiring improvement. | You’ve got this; keep up the great work! |