

4 Building Blocks of Pay Equity

A data-based approach to compensation and pay equity will allow you to weed out any bias already in your payroll and create a total rewards strategy that is both fair and competitive.

Get started with these 4 building blocks:

Proactively Analyze and Review Pay Gaps 1

First, analyze the factors you can control, **comparing pay rates for current employees with similar titles and levels of experience**. Then, compare by the variables you can't control: demographics like gender, race, age, sexual orientation, disability, and veteran status.

“We knew all our new hires would be reviewed during the offer stage when we hire them, but we also wanted to ensure the whole company gets reviewed and that we proactively analyze and review any pay gaps that might exist.”

-Nadia Vatalidis, VP of People at Remote.com



2 Purchase Compensation Data to Prevent Bias



Implementing a paid compensation data tool will **give your team access to market compensation data, leveling, and benchmarks for each position** within the org so you can build out compensation ranges (including cash and equity) and better inform your compensation reviews.

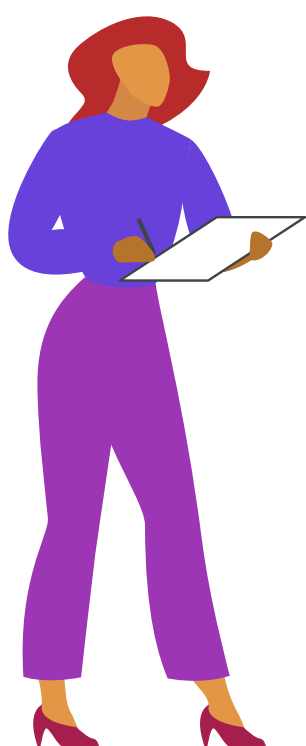
Carve Out Data for Your Org and Industry 3

It's crucial to **look at companies in your own industry for a truly apples-to-apples comparison**, as compensation for the same role across sectors may vary. Research what others in your field pay employees by experience level, role, department, location, and company size.



4 Choose A Percentile and Stick To It

Together with Finance and the Exec team, **determine where you want to be positioned within the overall market**. By looking at percentiles, which represent compensation rank within the overall market, you can ensure base salaries are above the median while leaving room for growth in the level and role an employee is currently in.



“We learned very quickly that even the slightest space for negotiation with two people in the same position at the same level is a mistake and contradictory to our ethos. When we hire, we deliver the offer and provide an explanation of our salary levels.”

-Nyala Khan, VP of Talent at Eden Health