

Compensation

How well employees are compensated for work depends on access to opportunities, the value that is placed on different kinds of work, firm pay practices, and fee structures.

WHY IT MATTERS

Compensation indicates the perceived value of one's work. Bias and lack of transparency are factors in compensation gaps. In contrast, compensation equity and parity support the influx, development, and retention of diverse talent and the economic stability and growth of individuals, firms, and the profession.

COMPENSATION BECOMES MORE EQUITABLE WHEN...

- the compensation structure is intentional and straightforward, with clear criteria for increases and advancement
- job descriptions and salary bands align; variations within salary bands are tied to clear criteria and reviewed for bias
- employees have equitable access to high-profile projects and teams
- employees are evaluated on the value of their work and not hours spent in seats
- firms and the profession invest in delivering more value to clients

ACT

Use equitable compensation practices

- Stay informed—shifts in legal and social context affect compensation.
- Consider all the forms of compensation—not only wages, but also benefits, time off, types of assignments, work location, flexibility, developmental opportunities—and ensure they are being offered equitably.
- Develop clear compensation philosophy, strategy, and structure, and share them openly with applicants and employees.
- Let employees know they are free to discuss compensation without penalty.
- Conduct regular compensation audits and employee surveys, assess trends and patterns, and update your compensation program accordingly.

Avoid bias

- Recognize that some roles and tasks may be undervalued because of the identity of the people who typically perform them; address these biases through equity in your pay structure.
- Acknowledge contributions by people of color and women to projects that specifically require their involvement.
- Monitor performance reviews for implicit bias.
- Regard negotiation as a positive skill and a way of meeting mutual goals; eliminate the penalty that members of underrepresented groups often incur when advocating for themselves.
- Distribute office housework equitably.
- Avoid repeatedly assigning lower-visibility projects or giving fewer choices to employees with target identities.