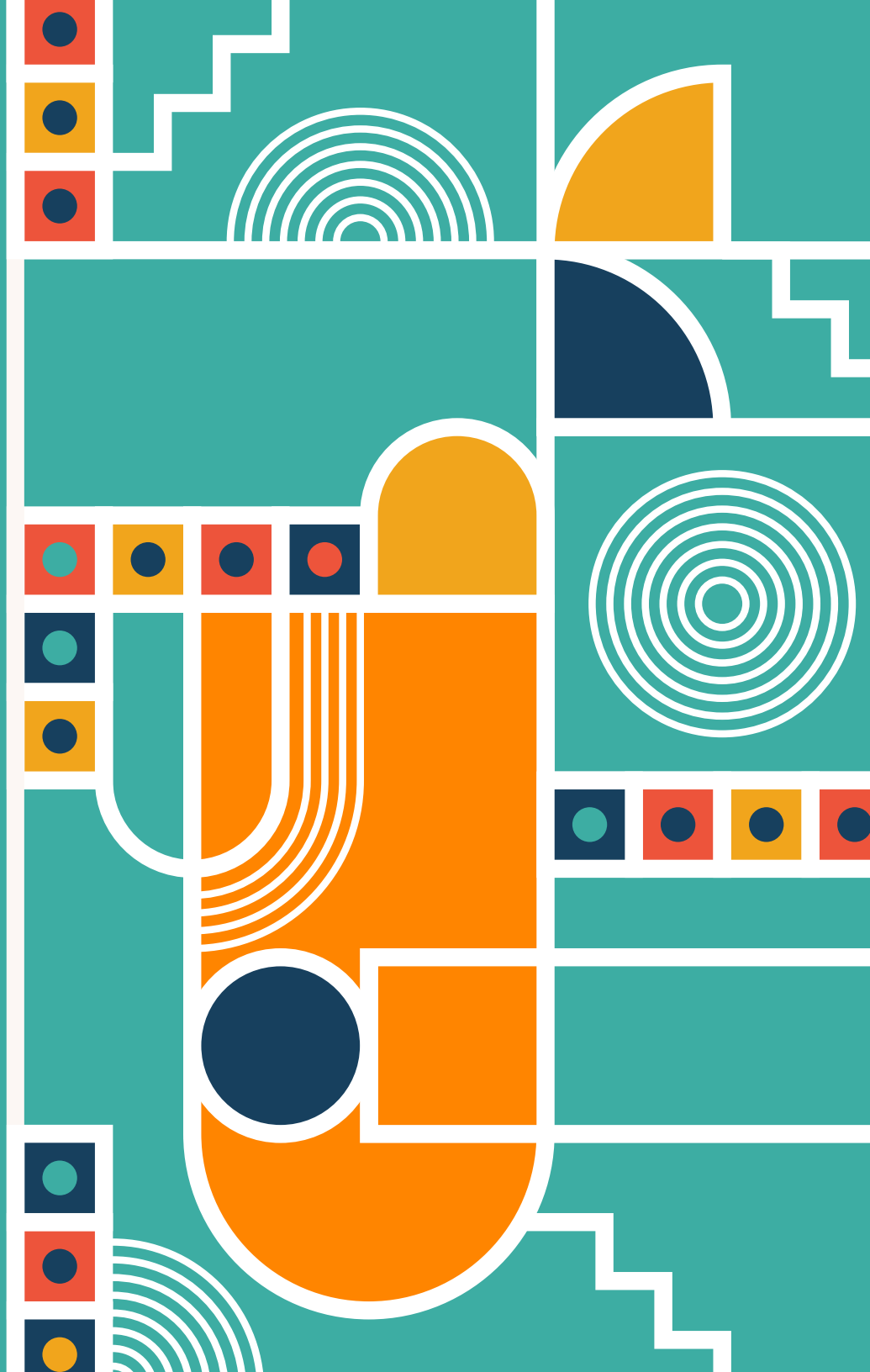


HUMAN RESOURCES AND EQUITY TOOLKIT



INTRODUCTION

All nonprofit organizations or community organizations with employees have to have some policies and procedures with respect to their employees. Bringing those employment policies and practices in alignment with the organization's values is key to how the organization lives its values with integrity with its most valuable resource - its employees. Racial equity, as a value, is central to the community work that is happening today. Because equity is a common value for many organizations, this toolkit provides tools and resources on how to embed equity into your employment policies.

Putting the HUMAN back in Human Resources

This is our opportunity to do things differently to advance racial equity by dismantling the systems that were designed to oppress people of color and other communities that have been marginalized and instead build systems where people can fully participate, reach their full potential and thrive.

By embedding equity in Human Resources, we make a true and deep effort to understand people with different lived experiences from our own. It removes unfair barriers to opportunities and builds a just society where everyone, regardless of who they are, can live a full and meaningful life.

DISCLAIMER: *This toolkit is not intended to be legal advice and does not create an attorney-client relationship. Any legal-related information is for general education purposes only and is not intended to be comprehensive. If you need specific employment law advice on your particular situation, please consult an employment attorney.*

These materials are designed to provide general guidance, support and education on compensation, performance and wellness. These materials reflect the author's opinion (Keonna Jackson) based on lived and work experience as a person of color working in human resources for many years and reference materials she has used along the way.

HOW TO USE THIS TOOLKIT

The Human Resources and Equity Toolkit has three components:

- 1 This Introduction to the Human Resources and Equity Toolkit** — to acquaint you with the Toolkit core definition and concepts.
- 2 A guide** on How to Start Embedding Equity in Human Resources: Compensation, Wellness, and Performance.
- 3 Human Resources and Equity Video.** This short (approximately 8 minutes) video provides highlights of the written materials and additional insight from human resources consultant Keonna Jackson.

DEFINITIONS

Before we get started, we want to make sure we are on the same page with our definitions of the words “Diversity, Equity and Inclusion” in the context of talking about Human Resources (HR).

Diversity, Equity and Inclusion in Human Resources is defined for this Toolkit as follows:

Diversity is the “what.” The characteristics of the group you work with. Diversity goes beyond just race. It includes other characteristics like gender, age, and abilities.

Equity is ensuring people have what they need to succeed based on their unique circumstances, including their strengths and their growth areas.

Equity is both a process and an outcome.

- An equitable HR process is a tailored approach to providing resources and support to historically marginalized groups so they can fully participate and reach their full potential.
- Equity as an outcome is achieving an equitable workplace where everyone has what they need to thrive.

Inclusion is the “how.” It is the behaviors and social norms that support people in feeling welcomed. Inclusion is an intentional, sustained and specific effort to make people feel welcomed, valued, heard and respected.

3 KEY AREAS OF HR

The following materials address three key and important areas of Human Resources: Compensation, Wellness and Performance.

Important things to remember as we approach these topics:

1. HR is about real human beings with feelings, families and lived experiences that affect how they perceive and are impacted by the policies and practices of your organization, as well as what may be occurring externally in their lives and in our society.
2. We ALL have our stuff to sort through.
3. Even after they've been written, NONE of these policies are written on a stone tablet. Continue evolving them as needed.
4. Be open to learning and course-correcting along the way.
5. Equity is a journey. There is no end.

Human Resource policies are often included in a Employee Handbook that all employees have access to. To have an effective HR policy on any topic, people need to be able to understand it and trust that it is applied to all employees fairly and equitably. To accomplish this, all HR policies should have the following goals:

- **Consistency.** A policy that guides decision makers must be applied consistently across the organization.
- **Clarity.** HR policies must be clear and understandable and the rationales behind the policies must be clearly stated.
- **Flexibility.** Build in a flexible approach so that policies are monitored and refined over time.

A GUIDE ON HOW TO START EMBEDDING EQUITY IN HUMAN RESOURCES: COMPENSATION, WELLNESS, AND PERFORMANCE

DEFINITIONS

Compensation Philosophy: A compensation philosophy is a formal document that describes how your organization approaches employee compensation based on your organization's vision, mission, values, and strategic objectives.

Compensation Strategy: A compensation strategy translates the foundational approach described in the Compensation Philosophy (see above) into a set of more concrete strategies defining how your organization will determine pay and benefits for your employees.

1. COMPENSATION

Compensation Philosophy & Strategy

Key Considerations

- Compensation is about more than salary and includes healthcare benefits, paid sick leave and paid time off, retirement contributions, flexible working conditions, home office support; and more.
- Money is a culturally-loaded concept and some people are more comfortable talking about it and asking for it; others may be more hesitant to talk about it or unlikely to see themselves as worthy of more compensation. Negotiating salary, benefits and/or any other elements of a compensation package can be affected by culture, gender, structural racism as well as all the other ism's that come into play. Because of this, some folks are primed and trained to negotiate, while others are not.
- One key component of pay equity is compensating employees the same way for the same work, regardless of race, gender, disability, sexual orientation or other status. As capitalism comes with a long and ongoing history of exploiting the labor of marginalized communities, it is critical to examine how structural racism and other forms of structural oppression may play into the ways your organization is determining the "value" that someone's work is bringing. Make sure to actively analyze and address the ways that organizational beliefs and history, differing cultures and our biases as human beings may be playing into the equation.
- The cost of living varies throughout the country. Take this into account when setting salaries based on data such

as salary/compensation surveys that may not reflect the economic conditions of your specific geography.

- Whatever changes are made to the compensation structure, employees will naturally experience a myriad of feelings, questions, and potentially concerns. Be prepared to attend to the questions that arise.

Recommended Actions:

1. Align your compensation strategy with your organization's values.

- If Equity is one of your organization's values, consider doing a Pay Equity Audit to assess whether your current compensation structure is equitable and make adjustments accordingly. See next section on Pay Equity Audit.

2. Get Informed about Compensation!

- Internal: Seek Input from all levels of your organization about what values and components are important to developing the compensation strategy from the staff and board. RoadMap Consulting has a great tool called the "[Salary Policy Discussion Guide](#)" that provides a framework for an internal discussion on developing a compensation policy.
- External: Seek information about compensation from your organizational peers. What are other organizations doing locally and nationally in their compensation philosophy and strategy? Get salary surveys with information on comparable sized and organizations in your sector.

Ask yourself and your team:

- What do we value and how do we want to reward those values?
- Who is making the decision about compensation/salary?
- What pay choices will help us keep, motivate, develop and attract talent?

3. Develop a strategy that has a floor and a ceiling.

- Do your research on what a living wage is in your area. This will help you determine the floor of your compensation strategy (the wage of your lowest paid staff). Note: living wages vary depending on geographical location, even within the same county. We recommend paying your lowest paid employee a living wage. But if your organization cannot afford to do that yet, create a phased plan that prioritizes raising the floor level salaries to a living wage in the near future.
- Put thought into what the ceiling of your compensation strategy should be (the wage of your highest paid staff). Consider how it reflects your values. For example, if your organization values equity, incorporate having a reasonable gap between the floor and ceiling levels of your salary structure that reflects how you value the contributions of all of your employees at every level. Note that being able to attract and retain staff at all levels of compensation means working towards paying a competitive salary. In the nonprofit sector, it is rare to find salaries that are competitive with corporate or even government sector salaries. Our people are our greatest

asset and personnel costs are the biggest part of any nonprofit budget. We recommend organizations do their best to prioritize compensation for their people in their budgeting process.

4. Are the elements of the compensation philosophy legally compliant? Refer to Legal Compliance section below.

- Make sure that your employees are correctly classified (exempt vs. nonexempt).
- Make sure your salaries meet government set minimum wage requirements.

Pay Equity Audit

A Pay Equity Audit is a process that an organization would undertake to assess whether the organization's compensation structure aligns with their equity values. In particular, a Pay Equity Audit is conducted when **an organization is looking into the differences in compensation** such as base pay, total cash compensation, variable pay, benefits, and other perquisites where those differences aren't the result of job-related factors.

Here's a resource on Pay Equity Audits from Real HR Solutions with more details:

[What, Why, When and How to Conduct a Pay Equity Audit](#)

Legal Compliance

All employers, including nonprofit organizations, must comply with all labor and employment laws and regulations.

This toolkit does not attempt to provide a complete list of the wide array of labor regulations and laws and does not give legal advice for your individual situation. Instead, this section of the toolkit attempts to give you a framework to think about the legal compliance on human resources.

Here is a list of legal resources available for support on labor and employment rules, regulations and laws:

- [Washington State Nonprofit Handbook](#)
- [Washington Employment Security Department website.](#) ESD is the agency that regulates, WA State regulations on paid leave, unemployment, and long term care
- [Washington Labor and Industries Department website.](#) L&I is the agency that regulates WA worker's compensation insurance and workers' safety and health.
 - [History of Minimum Wage](#) in Washington State
- [City of Seattle Office of Labor Standards.](#) This City of Seattle agency regulates wage, labor and workforce practices in the City of Seattle.
 - [City of Seattle Minimum Wage](#)

There are three levels of government that regulate labor and employment laws:

1. Federal Government

At the Federal level, the Department of Labor sets legal requirements designed to provide a high standard of protection to employees. They regulate workplace safety, federal minimum wage, how often you have to pay

employees and other employment-related areas.

The Internal Revenue Service sets legal requirements for how much employment taxes are paid by both the employer and employee and collects those taxes.

2. Washington State Government

Washington State has its own set of employee protection rules that often go further than the Federal rules do. Washington State also collects payroll taxes that cover Unemployment and Disability or Work-Injury insurance pools.

The Washington State Employment Security Department is the state agency that manages employment related programs on unemployment, paid family leave, long-term care insurance.

The Washington State Department of Labor and Industries is the state agency that manages programs for the safety and health of employees and Workers' Compensation insurance program.

3. Local City and County Government.

Some local City and/or County governments add additional employment related protections. Cities often have a higher minimum wage than the state or Federal minimum wage. For example, the City of Seattle has a higher minimum wage requirement than the Federal or State minimum wage level.

There are many more labor-related rules and requirements that we could not cover fully in this toolkit. Please refer to the WA Nonprofit Handbook and consult HR consultants and/or employment attorneys for help navigating compliance with Federal, Washington state and Local City rules and regulations.

Final thoughts on Compensation

Document. Document. Document: Document your pay decisions. Creating a formal, fully documented approach encourages legal and balanced behavior that is motivated by doing the right thing by your staff. This formality also supports an organization in the event of a legal dispute

- Include details of why you chose to pay an employee a certain amount
- Any performance ratings
- Other factors that may affect compensation

2. WELLNESS

“Caring for myself is not self-indulgent, It is self-preservation, and that is an act of political warfare.”

— AUDRE LORDE

When we look for ways to re-imagine human resources, staff wellness is an area that needs attention. Studies on corporate wellness show that employees who participate in wellness programs are more productive, gaining 8-10 hours of productivity a month and there is a decrease in absenteeism.

Review Health Benefits

An easy entry point to ensuring your staff have the support they need is through the benefit programs. Many medical benefits plans include mental health services allowing those enrolled on the plan to have access to mental health professionals. Short & Long Term Disability benefits could potentially provide financial support to staff who are determined medically disabled for mental health reasons. Review your medical benefits and Employee Assistance (EAP) plans to see how you might provide access to support your staff with their wellness. Look for health insurance plans that have strong mental health provider coverage. If your health insurance plan does not offer generous mental health coverage, consider providing other benefits to support your staff's mental health.

Zoom Fatigue

Zoom and COVID-19 fatigue are real. Consider implementing strategies that can lessen the stress of the pandemic, such as:

- Zoom-free Fridays
- Wellness, self-care, or COVID-care days

Trauma Counseling

Invest in a trauma/restorative justice consultant who can help support staff of color with navigating trauma, microaggressions or other emotionally draining workplace experiences

Additional ways to support your staff with mental health

- Reimagine the workday or workweeks, such as implementing four-day workweeks
- Explore closing your offices for restorative time. Many organizations close for the last week or two at the end of the year during the holidays because it is a time when families travel and gather, children are on school break, and just to provide rest time. Some offices also close for a week during the summer. This time off is for everyone in the organization and in addition to vacation time.

- Provide access to online tools ie. [Calm](#)
- Provide a wellness stipend for wellness costs that aren't covered by health insurance plan.
- Encourage and model taking breaks throughout the day for food, fresh air and movement. Discourage “working through lunch” or eating at your desk.
- Encourage and model using vacation time.
- Have a sabbatical program. Build the costs of sabbaticals into your budget, including paying the salary of the person taking a sabbatical and hiring coverage. Common sabbatical programs include the ability to take a minimum of three-months off paid with benefits, after 5-10 years of service.

3. PERFORMANCE

Traditional mainstream approaches to addressing employee performance have often created more of a punitive approach to performance rather than a generative one. By re-imagining the Performance Review process, we can create a process that is focused on:

- Reflection of successes, growth, and learnings
- What worked well and what didn't work so well
- Co-creating with your employees on a vision, plan, and strategy to reach the leadership and professional development goals and aspirations desired

Approach this as another point in time where those in leadership get to develop and provide support to emerging leaders by being their coach and not their judge.

A good foundation for an equitable (as humanly possible) performance review process:

1. Change the name of the process

- There is a clear visceral reaction when merely saying the words performance review. The most common feelings associated with the process are: nervousness, anxiety, fear, and confusion.
- Suggestions for alternative names:
 - Year in Review
 - Reflections For Success
 - Professional Development and Leadership Discussion

2. Have Regular check-ins

- This time together allows for relationship and trust building. It provides insight as to what's going on in each other's lives as well as context as to how/why one might be showing up in the way they currently are.
- Engage with your staff at minimum monthly, but ideally weekly.
- Create a regular two-way feedback process where the supervisor and supervisee can plan for thoughtful feedback on a regular basis. This promotes strong communication skills, prevents unspoken disappointments and frustrations from building up, and ensures that any critiques or communications about a need for improvement does not come as a surprise.

3. Clear process, communication & expectations

- Schedule it well in advance.
- Provide any and all templates, criteria, questions/prompts in advance to allow for preparation and reflection time - as well as the opportunity to ask any questions or raise any concerns.
- Make sure there is clarity on how evaluation will impact compensation.
- Communicate in advance that the evaluation process is designed to be collaborative and not punitive.

Key Documents:

- [Year in Review & Future Vision](#)
- [Check-In Prompts](#)

FINAL ADVICE

We are all humans filled with our own unique culture, experiences, families, beliefs, training, influences, etc. that create biases in each of us. With that being said there is no foolproof way to any of this. To create the best possible outcomes that can help us get closer to the equitable and just world we desire:

- Stop and check in with ourselves.
- Come from a place of curiosity instead of judgment. Ask questions.
- Be open to learning and comfortable with not knowing the answer.
- Lean into discomfort. Being uncomfortable means you are at your learning edge.
- And lastly, there is no such thing as perfection. We are all learning and growing and we all need to exercise a whole lot of grace. Have grace for others as they grow and have grace for yourself, to allow yourself to be human and continue to learn.

ADDITIONAL RESOURCES

Video

This short (approximately 8 minutes) video provides highlights of the written materials and additional insight from human resources consultant Keonna Jackson.

[Watch the Human Resources and Race Equity Toolkit video](#)

ABOUT THIS SERIES

This toolkit is a part of a series intended to support community-driven organizations and partnerships working to advance racial, economic, and health equity. The series was made possible through a collaboration between Communities of Opportunity and Communities Rise.

Other toolkits in this series:

[Community Collaboration Toolkit](#)

[Alternative Leadership Toolkit](#)

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