Equity in Nonprofit Compensation Negotiation:
Uncovering Influential Biases and Patterns

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WHY COMPENSATION NEGOTIATION?
OBJECTIVES AND RQs

Research Questions:

1. To what extent does gender or ethnicity play a role in an executive compensation negotiation within the nonprofit sector?
2. How does one effectively reduce implicit bias from the recruitment process?

Objectives

1. Identify how to present an ethical, equitable negotiation
2. Locate where implicit bias affects negotiation
3. Explain why negotiations can encourage the pay gap
4. Share best practices for bringing equitable compensation to your nonprofit
METHODS AND APPROACHES

**Literature Review**
- Intro to negotiation
- Intro to implicit bias
- Implicit bias in compensation
- Negotiation as a masculine strength
- Elements of effective trainings

**Expert Interviews**
- 5 Nonprofit Executives with varying backgrounds
- 30 minute interviews
- Identical Prompts

**Best Practices for an Equitable Compensation Negotiation**
LITERATURE REVIEW

Understanding Negotiation
- Preparation is key
- Collaboration mindset
- Show the same respect you expect in return

Understanding Implicit Bias
- Unconscious attitudes that affect our decisions
- Activated involuntarily
- Awareness helps dispel

Proving Implicit Bias in Compensation
- Of nonprofit executives, women earn 4-20% less than their male equals (Coffman)

Examining Negotiation as a Masculine Strength
- Aggressive negotiation is rewarded in males, criticized in women

Elements of an Effective Implicit Bias Training
- Buy-in from participants needed to make change
- Identify where training is needed most first
INTERVIEW ANALYSIS

Major Themes that Emerged

- Ethical Negotiation Preparation
- Implicit Bias Hidden as "culture fit"
- Negotiation is Pervied Differently by Gender and Ethnicity
- Stay Objective in Recruitment Practices, Be Quantitative
- Always Encourage Growth & Learning at your Nonprofit
- Awareness Training can be the Most Effective Way to Introduce Implicit Bias to Employees
FINDINGS

- Clearly Significant
- Negotiation Seen as Male Strength
- Unjust Perceptions of Gender/Ethnic Expectations
- Negotiator Using Implicit Bias

Gender and Ethnicity's Role

Nonprofit Compensation Negotiation

Methods to Reduce Implicit Bias

- Societal Change Begins with Individuals
- Thorough Mental Preparation
- Use Market as Salary Indicator
- Teach About Implicit Bias Regularly
- Utilize Quantitative Hiring Practices
RECOMMENDATIONS

For HR Nonprofit Executives:

- *Teach about implicit bias* when training executives on the recruitment process at your organization.
- *Train* hiring managers how to interview in a quantitative manner.

For Hiring Managers:

- *Stay informed* and never stop learning.
- *Practice* ethical recruitment strategies

For Prospective Employees:

- *Mentally prepare* for your compensation negotiation.
- *Research* market salaries for the size organization you are interviewing with and a correlating salary.


Women and people of color have experienced inequitable compensation for comparable jobs for decades. There are many factors that play into this inequality, one being unfair and sometimes uneducated compensation negotiations. Based on a literature review of existing knowledge and expert interviews, this research culminates with recommendations for nonprofit HR Executives, hiring managers, and prospective nonprofit employees to encourage more equitable compensation negotiation. By educating our nonprofit executives around implicit bias and the role it can have in compensation, we can create a more respectful sector toward all.

The way employees are compensated is an extremely important part of the nonprofit sector. Salary and benefit packages are used as a tactic to attract top talent who can further the organization’s mission. On the Executive level, it is extremely common that a new employee would negotiate on their own behalf to receive their most ideal compensation.

The purpose of this research is to provide strategies and advice sourced from an extensive literature review and expert interviews around encouraging executive nonprofit compensation negotiations to become more equitable.

**RESEARCH QUESTIONS**

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**Best Practices for an Equitable Compensation Negotiation**

**REFERENCES**