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MASTER OF NONPROFIT ADMINISTRATION

Equity in Nonprofit Compensation Negotiation: Uncovering Influential Biases and Patterns

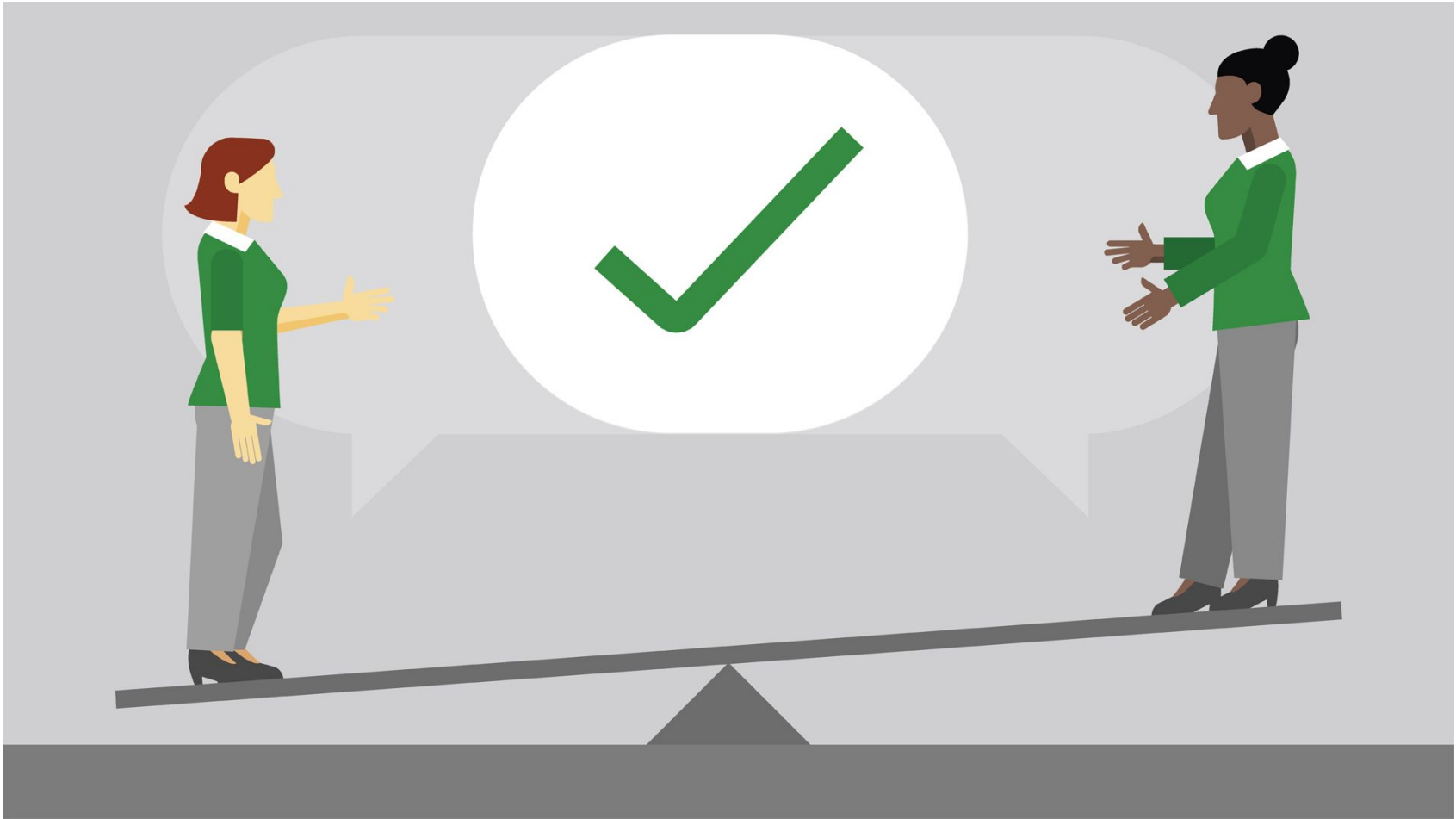
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NPA 622: Nonprofit Data Analysis

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Instructor: Marco Tavanti, Ph.D.

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 comp.
- 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

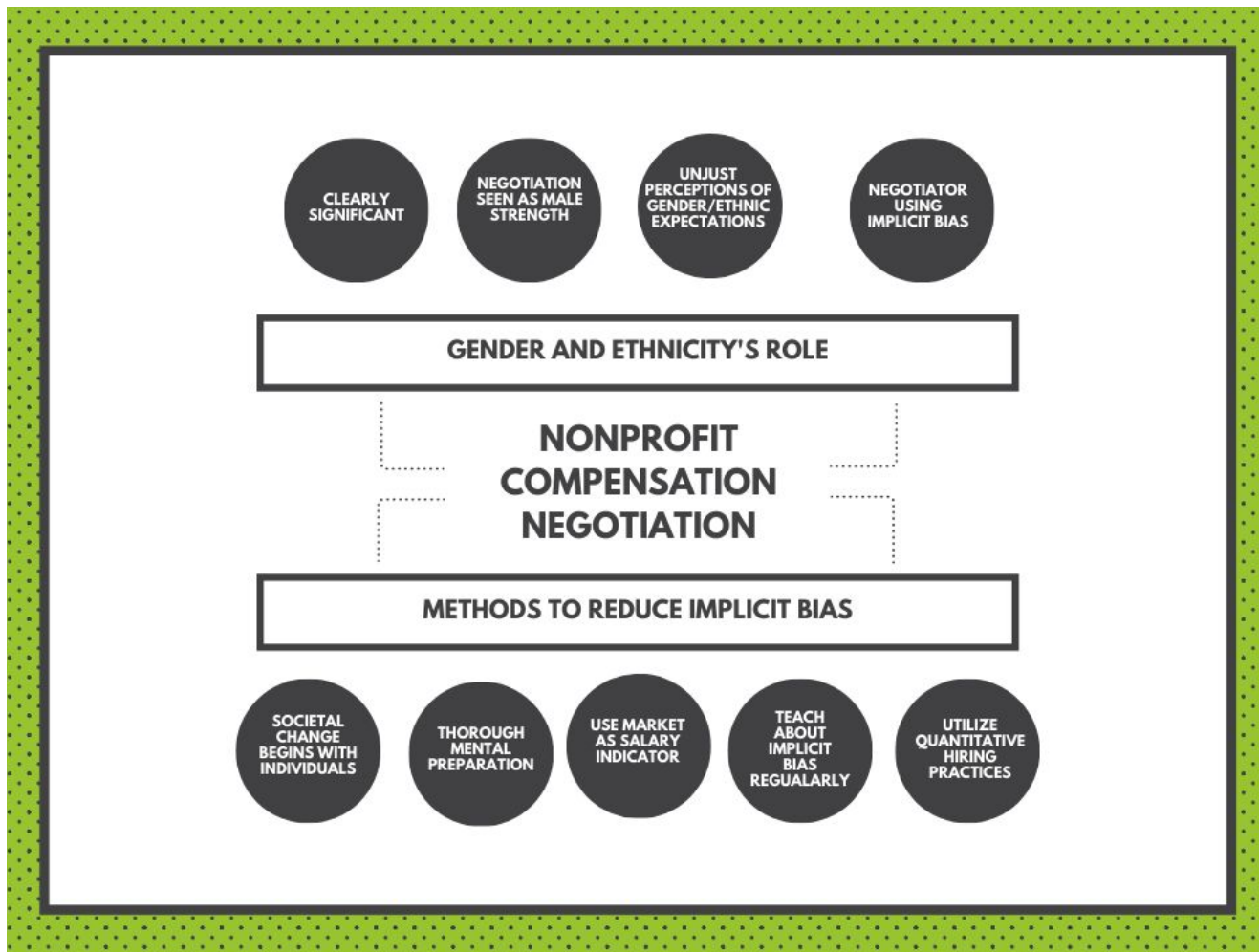
Elements of an Effective Implicit Bias Training

- Buy-in from participants needed to make change
- Identify where training is needed most first

INTERVIEW ANALYSIS



FINDINGS



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.

REFERENCES

- Presman, G. (2016). ***Negotiations: How to Craft Agreements that Give Everyone More***. Icon Books Ltd. Retrieved from: <https://ebookcentral.proquest.com/lib/usflibrary-ebooks/reader.action?docID=4782678&ppg=8>
- Coffman, S. (2018, September 24). ***Just Published: 2018 GuideStar Nonprofit Compensation Report***. Retrieved from <https://trust.guidestar.org/just-published-2018-guidestar-nonprofit-compensation-report>
- **Addressing Implicit Bias in the Social-Impact Sector**
<https://www.idealists.org/en/careers/implicit-bias-social-impact>



EQUITY IN NONPROFIT COMPENSATION NEGOTIATION: UNCOVERING INFLUENTIAL BIASES AND PATTERNS

Shannon Czarnik, MNA - Master of Nonprofit Administration - Capstone Project

SUMMARY

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 a 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.

PURPOSE

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

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?

METHODS

Literature Review

- intro to negotiation
- intro to implicit bias
- implicit bias in comp.
- negotiation as a masculine strength
- elements of effective trainings

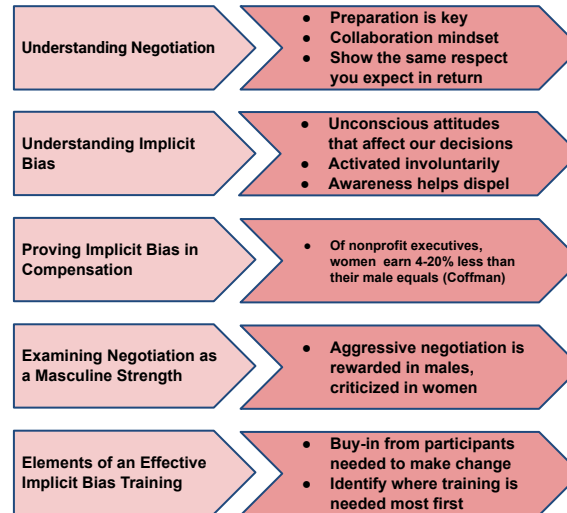
Expert Interviews

- 5 Nonprofit Executives with varying backgrounds and experiences
- 30 minute interviews
- Identical prompts

Best Practices for an Equitable
Compensation Negotiation

DATA AND ANALYSIS

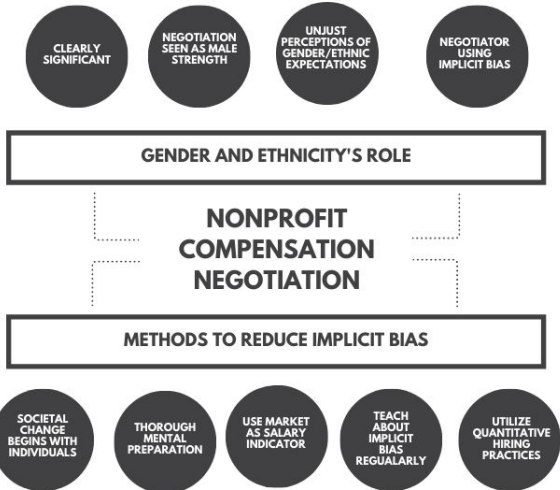
Literature Review:



Expert Interviews:



RESULTS



RECOMMENDATIONS

1. **Teach** about implicit bias when training executives about recruitment in your nonprofit
2. **Train** hiring managers how to interview in a quantitative manner
3. **Stay informed, never stop learning.** There are always new developments and findings when forming equitable recruitment strategies
4. **Mentally prepare** for your compensation negotiation. Being ready to collaborate increases respect
5. **Research market salaries** relative to your nonprofits size and service provided. This helps the negotiation

REFERENCES

- Presman, G. (2016). *Negotiations: How to Craft Agreements that Give Everyone More*. Icon Books Ltd. Retrieved from: <https://ebookcentral.proquest.com/lib/usflibrary-ebooks/reader.action?docID=4782678&pg=8>
- Coffman, S. (2018, September 24). *Just Published: 2018 GuideStar Nonprofit Compensation Report*. Retrieved from <https://trust.guidestar.org/just-published-2018-guidestar-nonprofit-compensation-report>