



Performance + Pay: Stop Making It Weird

Every founder/CEO we speak to is focused on driving a high performance culture.

But then we often seem them do compensation like this:

- “We’ll just see what we can afford”
- “Let’s give everyone something”
- “We don’t want to upset people”
- “We’ll do performance reviews... but don’t link it to pay”
- And that’s how you end up with:
 - inconsistent salaries
 - favoritism (even when it’s accidental)
 - cash burn
 - managers who avoid hard conversations
 - high performers leaving quietly

So here’s the EE approach.

Step 1: Decide your compensation strategy (properly)

Before you band roles, you need clarity on what game you’re playing.

Are you:

- tenure-based?
- role-based?
- performance-based?
- or (most common) completely ad hoc?

Our goal is to move clients towards a pay-for-performance compensation strategy that’s designed for the uniqueness of their business over time.

Step 2: Get serious about what “comp” actually includes



Comp isn't just base salary.

It could be:

- base salary
- bonus + commission (linked to clear KPIs)
- equity (ESOP in tech)
- benefits + flexibility
- time off
- Investment in development
- even ESG initiatives (yes, it matters more than leaders think)

Step 3: Use data – and choose your percentile

Comp decisions need to factor in:

- company size and scale
- competitor market
- funding stage
- affordability
- desired pay percentile
- and equity across roles

We use market data tools like Live Rem to build salary bands at the chosen percentile

And here's the real reason this matters:

A clean, data-driven comp strategy reduces favoritism, stands up to scrutiny (especially from technical teams), and makes budgeting predictable.

Tie the conversation to performance!

Step 4: Managers deliver the message (not P&C)



This is the bit everyone tries to dodge.

But if we want a high-performance culture, managers have to do the job.

P&C trains and supports.

Managers deliver the comp outcomes.

Step 5: Overpaid employees? Don't claw back. Be honest.

If someone is out of band:

- share the band
- explain the constraints
- and clarify what would need to change for future increases (sphere of influence, stretch, impact)

No drama. No clawbacks. Just clarity.

The punchline

A high-performance culture isn't built through values posters.

- It's built through:
- fair pay
- clear bands
- structured performance processes
- leaders who can have hard conversations
- systems that remove the admin chaos

Because if you're not paying for performance...
you're just hoping for it.