Badge-based Compensation App – v1.0

Summary

This app allows partners to define and earn "Badges", where each Badge represents a useful skill (or a talent, capacity, achievement, area of knowledge, or something similarly useful for determining compensation). Partners earn a Badge by demonstrating the skill it represents to peers who already hold that Badge, or to a "Badge Bootstrapper" role if not enough people hold the Badge yet. Anyone can also propose a new Badge to capture useful skills that aren't already covered in the "Badge Library".

This app then defines partner compensation by mapping different sets of Badges to specific compensation levels, within an overall framework defined by a "Compensation Architect" role. Any given set of Badges may thus have a specific compensation level tied to the set, and all Partners will get paid based on their most valuable set of Badges within this database. Anyone may propose a new entry in this database as well, to map a new set of Badges to a specific compensation tier. A "Compensation Guardian" role assesses this proposal and ensures new compensation mappings remain fair relative to all current mappings, and aligned with any guidance provided by the Compensation Architect role.

Overall, this system achieves the following:

- A **transparent compensation system**; everyone can see who gets paid what, the Badges that result in that pay, and what other Badges must be earned to achieve other possible pay levels.

- A **tension-driven, evolutionary compensation system**; any partner who feels a tension can get new Badges defined, apply to be recognized for a Badge, or propose a new or modified compensation level for any given set of Badges – nothing gets defined until there's a tension, allowing just-in-time clarity and continual evolution.

- A **peer-to-peer compensation system** without any centralized authority to set someone's pay; Badges are granted by those who already hold the Badge, pay is defined by transparent Badge sets, and everyone has the same ability to modify Badges and pay levels per Badge set. At the same time, the system also adds roles, rules, and processes to protect from individual egos dominating organizational needs and driving compensation for personal motives.

- An **internally consistent compensation system**; anyone with the same Badges will get paid the same amount, and pay deltas between various Badge sets stay relatively "fair" based upon the integrated subjective judgment of multiple people.

- A **path for career progression** that's much more organic and customizable than the typical linear climb across pre-defined tiers; instead, each person can engage in a self-directed process of building out a unique Badge profile in any number of possible directions, including ones that don't need to be anticipated or planned for in advance.

Adoption Requirements

This app was designed for use with Holacracy v4.1, and can be adopted via governance proposals in whatever circle controls the organization's partner relationships (the Anchor Circle, unless delegated).

Governance Proposal to Adopt App

For Defining Badges

The following governance defines how the organization creates or modifies its library of Badges:

Add Role: Badge Librarian

Purpose:

> Badges that represent clear, clean, and useful distinctions for the organization

Accountable For:
- Maintaining and publishing the organization's official Badge Library
- Reviewing and assessing proposed additions or changes to the Badge Library, when complete Badge proposals are submitted by any Role or Partner in the Organization
- Assisting other Roles and Partners in crafting Badge proposals, upon their request and upon confirmation that a Role with the power to assign Partners to Roles believes the potential Badge represents a significant consideration in the choice of assignment

Add Policy: Defining Badges

The Organization's official "Badge Library" lists "Badges" that are available for Partners to earn in recognition of their skills, talents, capacities, and achievements. Each Badge definition must include a description of the skill, talent, capacity, or achievement that the Badge represents, and may optionally include a process or another mechanism for Partners to gain the Badge and/or lose the Badge.

No one may add, modify, or remove Badges from the Badge Library unless each @Badge_Librarian first confirms he/she sees no Objections to the change, or fails to respond with an Objection within a week of a proposed change. In any case however, no Badge in the Badge Library may be modified or removed while another process or active decision relies on the Badge (although it may be marked as "inactive" and made unavailable for new use, and an updated version may be added for new use instead).

For Earning & Losing Badges

The following governance defines default mechanisms for how Partners can earn or lose Badges:

Add Policy: Earning & Losing Badges

If no mechanism is specified along with a Badge definition for how a Partner gains that Badge, then, as a default mechanism, the following will apply:

A Partner will be granted the Badge when at least two people who already hold the Badge assert that they have clearly and repeatedly seen the candidate demonstrate the skill or capacity described by the Badge. However, if there aren't enough people who actually hold the Badge and have worked with the candidate to assess that, then the @Badge_Bootstrapper's may instead grant the badge using any evidence they see fit, as long as a majority of the @Badge_Bootstrapper's advocate for the grant and none actively

advocate against it. If the candidate for this grant is also a @Badge_Bootstrapper, he/she shall not count for the purpose of assessing his/heir own Badge nomination.

If no mechanism is specified along with a Badge definition for how a Partner loses that Badge, then, as a default mechanism, the following will apply:

The Badge grant will automatically expire two years after grant, unless renewed via the same mechanism required for the initial grant. Further, the Badge grant may be revoked sooner by any two people who already hold the Badge asking for a re-qualification, and the Partner failing to promptly re-qualify for the Badge using whatever mechanism is required for the initial grant of the Badge.

Add Role: Badge Bootstrapper

Purpose:

> Highly discerning and conservative Badge grants to bootstrap just enough people into new Badges

Accountable For:

- Assessing Partners for Badges upon their self-nomination, when there aren't yet enough people who actually hold the Badge and work with the Partner who can reasonably assess

For Linking Badge Sets to Compensation Levels

The following governance defines how the Organization defines its compensation tiers and how sets of Badges can be linked to specific tiers:

Add Role: Compensation Architect

Purpose:

> The right compensation system for the Organization and its Partners

Accountable For:

- Designing, implementing, and evolving the Organization's overall systems & related processes for determining Partner compensation
- Defining and publishing the organization's possible compensation tiers, along with general criteria or sample profiles to guide the tagging of a Badge set to an appropriate tier placement

Add Role: Compensation Guardian

Purpose:

> Fair relative compensation levels for Badge sets, aligned with @Compensation_Architect's guidance

Accountable For:

- Assessing Badge valuation proposals against other valuations already in the Badge Valuation Database and against the general guidance published by @Compensation_Architect

Add Policy: Badge Valuation

The "Badge Valuation Database" is a listing of specific sets of Badges, with each set mapped to a specific compensation tier using the tiers defined by Compensation Architect. The full-time compensation level for a Partner may only be set at the highest tier that matches a set of Badges the Partner holds (or the pro-rated equivalent for a part-time commitment).

The Badge Valuation Database may only be modified via a Proposal that results in no Objections from all @Compensation_Guardian's, using the Integrative Decision-Making Process. This Proposal may be made asynchronously to just the @Compensation_Guardian's, using the Constitution's rules for asynchronous processing, or via a special "Badge Valuation Meeting" scheduled by any Partner. All @Compensation_Guardian's must be invited to this meeting, as well as this Circle's elected Facilitator, and it may only be scheduled for 30 minutes. A majority of the @Compensation_Guardian's must attend for the meeting to proceed, and even with a majority it may not proceed if any @Compensation_Guardian requests a reschedule.

At a Badge Valuation Meeting, the Partner who scheduled the meeting may propose one or more new or modified badge set valuations for the Badge Valuation Database, and the facilitator of the meeting will process the Proposal via the Integrative Decision-Making Process, but with only the @Compensation_Guardian's participating in the Objection Round (if the elected Facilitator chooses not to attend, the Constitution's rules for selecting a surrogate apply). Any Proposal that fails to pass within the time allotted for the meeting is automatically dropped. No Partner may schedule a Badge Valuation Meeting within one month of the last such meeting that Partner scheduled.

Through the process defined above, the valuation tied to any Badge set may be lowered, or more Badges may be added to an existing set. In these cases, any Partner whose compensation level was tied to that Badge set may keep their compensation level calculated using the old Badge set and associated valuation for a period of 12 months following the change; at that point, compensation levels due to legacy Badge sets or valuations will automatically expire.

For Administering Compensation

The following defines a role to administer the system and rules for transitioning people into it:

Add Role: Compensation Administrator

Purpose:
Accurate recordkeeping of Badges held per Partner and resulting compensation levels

Accountable For:
- Defining and publishing an authoritative source of which Partners hold which Badges
- Publishing and maintaining the official mapping of Badge sets to compensation tiers (the "Badge Valuation Database")

- Identifying and publishing a target compensation tier for each Partner based on his/her most valuable Badge set listed in the Badge Valuation Database
- Reviewing evidence submitted by any Partner that a Partner has earned or lost a Badge, given the process or mechanism defined in the Badge, and updating Badge and compensation records if clear and compelling evidence indicates a Badge has been earned or lost
- Tracking time-based and event-based triggers that expire Badges, and, upon an expiration, notifying affected parties and updating relevant records

Add Policy: Transitioning to Badge-Based Compensation

Any role extending offers for new Partners to join the Organization may give those new Partners an initial compensation level based on a set of Badges the role-filler assumes the new Partner is likely to earn (additional governance may define or limit this authority further). That Partner's compensation may not drop below this initial tier placement for a period of 12 months after joining the Organization (except due to a shift to a part-time relationship or removal from the Organization).

Partners who joined the company before the roll-out of the Badge-based Compensation System may opt to keep their compensation level calculated under the old system until they have enough Badges to provide a comparable or greater compensation level under the new system.

Supporting Examples

The following examples show how the compensation app can work, including sample Badge definitions, compensation tiers & guidance, and entries in a Badge Valuation Database using those Badges and tiers.

Example Badges / Badge Library

Badge: Business Savvy

Levels (each counts as a separate Badge):
I have repeatedly demonstrated that…
1. I can apply professional norms in the business world to my behavior when contextually relevant, and not stick out as an inappropriate young punk in a conventional business
2. I can participate in a conversation with more experienced business professionals about general business topics, without slowing them down or looking like the clear novice in the room
3. I can add to conversations about some common areas of business building from direct experience (e.g. operations, management, finance, culture, leadership, etc.)
4. I can add to conversations about almost any common area of business, while pulling in useful and relevant direct experience, and appear generally "business-savvy" to business pros
5. I can debate sophisticated business strategies toe-to-toe with other seasoned business leaders, with the feel of someone who has "been there, done that" in business
6. I can get my hands dirty in all common areas of business building, with the easy, grounded confidence and nuanced wisdom of experience
7. I can take the reigns of a conventional company as CEO (or equivalent), or build one from the ground up, and grow it through multiple phase transitions in scale/revenue/reach/etc.
8. I can teach CEO's and entrepreneurs about business building from deep experience, and keep them coming back for more
9. I have achieved wide recognition as a master in this practice area

Badge: Holacracy Coaching

Levels (each counts as a separate Badge):
I have repeatedly demonstrated that…
1. I can earn the Certified Holacracy Facilitator credential, and do effective basic coaching on simple meeting mechanics with a post-launch beginner group.
2. I can do effective basic coaching on Holaracy's rules of the game with a post-launch beginner group.
3. I can earn the Certified Holacracy Coach credential, and I can give effective in-meeting or one-on-one coaching on Holacracy's underlying principles and power shifts, and help people change habits and make the shift
4. I can effectively coach with a post-launch novice group succinctly yet powerfully, to give an efficient meeting experience even when they request lots of time outs
5. I can launch new circles with new practitioners, while balancing an experience of process with teaching, and help people overcome initial resistances to the practice

6. I can comfortably coach anyone in any typical situation, including CEOs, internal coaches, and other external coaches, and reliably add value to skillful facilitators and experienced practitioners, at least when I have a Master Coach as an occasional thought-partner
7. I can earn a Master Coach credential and comfortably coach even seasoned coaches

Badge: Orchestrating

Overview:

Ability to segment a big fuzzy problem into practical discrete steps or elements and move on them; the balance of visioning and executing that is particularly useful for defining the path and "getting the ball rolling" down that path.

Levels (each counts as a separate Badge):

I have repeatedly demonstrated that…

1. I can drive a project to completion, while deftly removing any stuck points I hit along the way
2. I can take a need, come up with a clear envisioned end result, and effortlessly break it down into a series of efficient actionable steps to get there
3. I can stay focused on the most important & worthwhile aspects while driving my projects forward
4. I can own a project so much that my team and stakeholders relax with high trust that it's in the right hands for getting results
5. I can stay laser focused on achievable results, without unsconscious scope creep, getting lost in an unrealistic vision, or distracted by possibilities; my team benefits and my stakeholders love me
6. I can mobilize others to get the benefits of the preceding capacities on a team, even when the need is fuzzy, the project complex, and others aren't naturally as focused
7. I can take even the fuzziest sense of need, figure out the right vision for maximum leverage with all things considered, and make it all happen end-to-end, even when dependent on others

Badge: GTD Ninja

Overview:

Ability to use the GTD system/process to get/stay organized, stay centered, consciously direct attention, and appropriately engage with inputs.

Levels (each counts as a separate Badge):

I have repeatedly demonstrated that…

1. I can use some form of basic organizational system/approach that's better than holding everything in my head
2. I can use a stripped-down set of GTD practices, and demonstrate some of the key benefits of a GTD practitioner, sometimes
3. I can use the fundamentals of GTD practice with good consistency, and I look and feel like an experienced GTD practitioner
4. I can stay organized, present, and "in control", without unconsciously dropping stuff, even while juggling lots of projects and inbounds
5. I can effectively teach and coach GTD practices from deep experience as a master practitioner; my colleagues deeply trust my trusted system; I'm a GTD ninja.

Example of Tiers & Guidance Defined by Compensation Architect

Compensation Tiers (I-V) and Grades per Tier (A-F)

All figures represent target monthly compensation

Tier	A	B	C	D	E	F
I	$ 3,000	$ 3,200	$ 3,400	$ 3,600	$ 3,800	$ 4,000
II	$ 4,250	$ 4,500	$ 4,750	$ 5,000	$ 5,300	$ 5,600
III	$ 6,000	$ 6,400	$ 6,800	$ 7,200	$ 7,600	$ 8,000
IV	$ 8,500	$ 9,000	$ 9,500	$ 10,000	$ 10,500	$ 11,000
V	$ 11,500	$ 12,000	$ 12,500	$ 13,250	$ 14,000	$ 15,000

Guidance on Tier Placement of Badge Sets

The tiers defined above are meant to used for badge sets that reflect or require the following…

Tier	Judgment Capacity	Expertise in Technical/Specialized Skills
I	The judgment of some general adult life experience	No specialized expertise, other than what's easily learned.
II	The judgment you'd expect from an adult in the professional world	Some expertise developed in general, easy-to-learn skills
III	The judgment you'd expect from someone with significant professional experience and good mentors	Major expertise in general skills, or significant expertise in highly technical/specialized, hard-to-learn skills
IV	Well-seasoned judgment from many years of both succeeding and failing while "flying solo" without major guidance	Major expertise in highly technical/specialized, hard-to-learn skills
V	The poignant, instant, discerning judgment of a deeply-experienced industry-leader, forging new pathways in their discipline	World-class, industry-leading expertise in multiple technical/specialized, hard-to-learn skills

Example List of Badge Set Valuations

Badge Set Label / Description	Badges in Badge Set	Tier/Grade Placement	Associated Comp Level
Basic Project Manager	Business Savvy 1-2 Orchestrating 1-4 GTD Ninja 1-3	3-B	$6,400
Super Project Manager	Business Savvy 1-4 Orchestrating 1-7 GTD Ninja 1-4	4-D	$10,000
Starting Holacracy Coach	Business Savvy 1-3 Holacracy Coaching 1-4 GTD Ninja 1-3	4-A	$8,500
Holacracy Coaching Engagement Lead	Business Savvy 1-4 Holacracy Coaching 1-6 Orchestrating 1-4 GTD Ninja 1-3	5-B	$12,000