

NORDSTROM

Our People: Q&A with Christine Deputy

February 27, 2020

Our ability to deliver to our customers or execute towards our business aspirations starts with our people. Our goal is to create an environment where our people can be themselves and do their best work. This starts with our leadership, is informed by our people and is ultimately brought to life by the specific decisions made and initiatives started.

Recently, we implemented additional efforts around pay equity and pay parity in support of our culture and drive towards our business priorities. These initiatives include achieving pay equity, which means equal pay for comparable work; marching towards pay parity, which is the same median pay for men and women across the company; and broadening the diversity of our leadership —56% of our executives are women.

We sat down with our Chief Human Resources Officer Christine Deputy to highlight how this came to be and where we go from here.

How has Nordstrom adapted its approach to talent and recruiting during a time of transformational change in the retail industry?

Our goal is to make sure we have the right talent and capabilities in the company so we can create the experience that our customers want. We do that by always coming back to what the customer needs, then translating those needs into capabilities and talent we must develop.

We've also been comparing ourselves to a wide range of companies. We don't just look at other retailers, we also look at tech companies, organizations with large production and fulfillment facilities, best in class places with incredible employee cultures, among others. So, the big difference is that we're looking at our talent and how that helps us compete in the marketplace in a much broader way.

Pay is a big part of attracting and retaining the best talent. We recently announced the achievement of pay equity —how will we remain at 100%?

Constant vigilance and self-assessment. We got here by looking at all the components around the decisions we make, such as who gets placed in roles, who gets certain assignments and how we think about pay in the structures we apply. We then installed more education and structure to enable us to be more consistent and less individually driven —processes that help reduce bias on everything from recruiting to hiring and to annual pay increases.

We will analyze our data on a regular basis to look at similar jobs within geographic areas to spot differentiation between men, women and people of color. We then analyze the reasoning behind any differences and will adjust our processes accordingly.

We also do a lot of work with our employee surveys. We have surveys for employees who leave, regular update surveys, ones to measure feedback on initiatives like our CSR efforts, ad hoc surveys. We are also starting onboarding and candidate surveys so we can better understand the application experience. This helps us spot where people are having different experiences and what we can do to address it within the system. Addressing individual issues is important, but building a better overall system is how we will ensure we remain at 100% pay equity.

What is the difference between pay equity and pay parity?

Pay equity is table stakes for any organization and means the same pay for significantly similar roles at the same level and geography. If we took all project managers in Seattle, we'd look to see if there are any differences that are unexplainable by experience, types of projects completed, performance reviews, etc. and understand why any difference exists —it's equal pay.

Pay parity is about representation throughout a company that is calculated by comparing the median pay of women to the median pay of men. We have a history of being committed to a great work environment and have always been a meritocracy. As a result, we've had women at very senior levels of this organization, so pay parity (achieved through representation) isn't something we had to go out and fix overnight —it's something we've spent years being very committed to. We aren't perfect, but we are proud of our progress and representation.

How can other companies close the gap between pay equity and pay parity?

The key is embedding Diversity, Inclusion and Belonging into your business practices from day one. The conversations you have and decisions you make both as an employer and for your customers are only as good as the people at the table and information you have. If everyone is the same, perspective and options will be limited.

To accomplish this and chart a course for equality, it must be driven by the leadership —not HR. It must be a relentless pursuit of diversity. Every slate of candidates needs to be diverse. Every assessment process needs to ask the right questions for what skills and capabilities you're looking for. We even think about what perspectives we need for a specific role and build that into the qualifications for the job. Hard skills are critical, but diversity of perspective based on background, industry, geography and more are also important factors to consider when hiring.