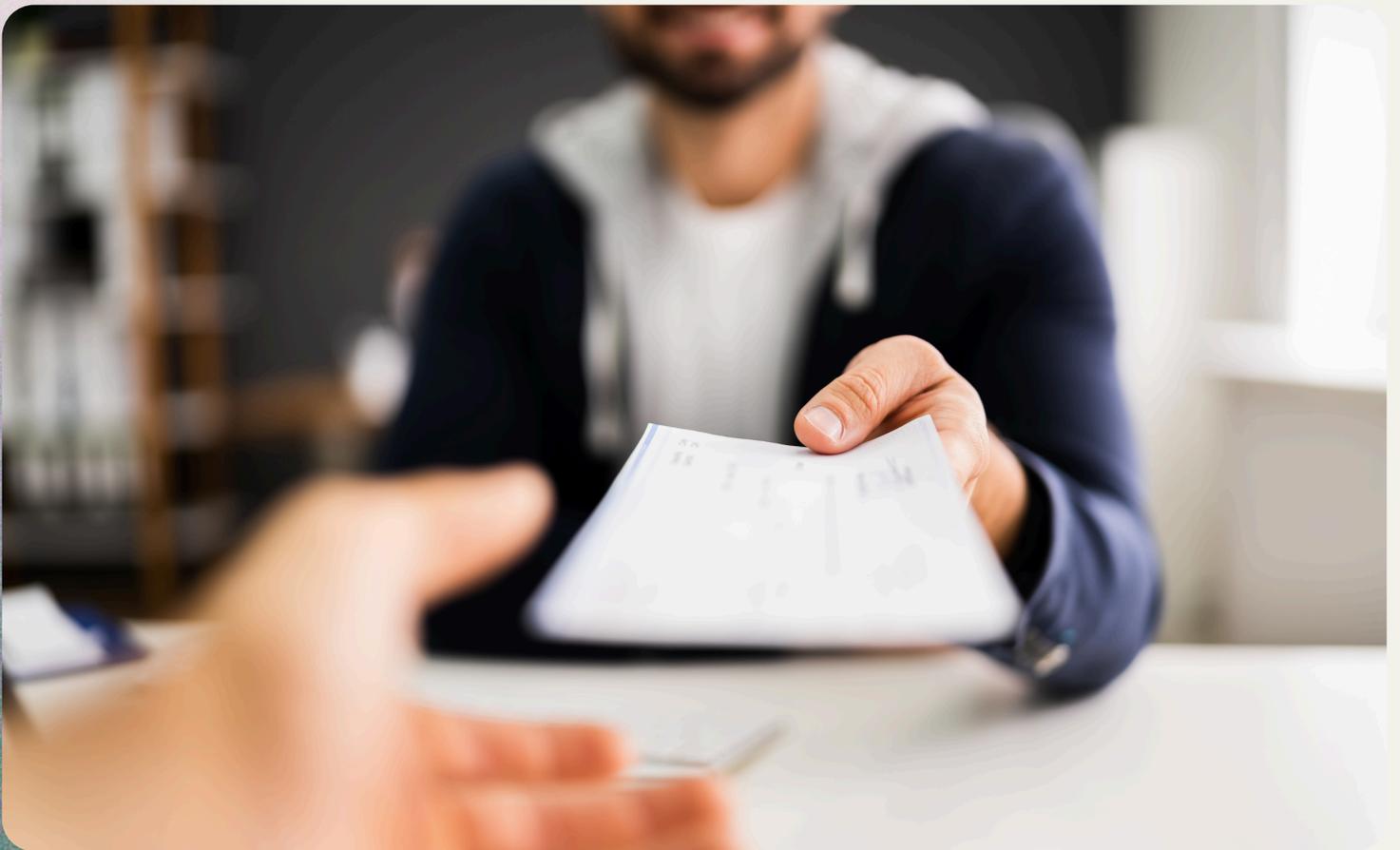


How to Set a Compensation Range Spread by Role

A QUICK GUIDE FOR HR AND BUSINESS LEADERS



WHAT IS A RANGE SPREAD?



Creating salary ranges is one of the most practical steps you can take to bring structure and transparency to pay. But once you know the midpoint (the “market rate” for a role), the question becomes: How wide should the range be? That’s where range spreads come in.

A range spread defines how much higher or lower salaries can be compared to the midpoint for a role. For example, if the midpoint for a Marketing Coordinator is \$60,000 and you set a 40% range spread, the minimum might be \$48,000 and the maximum might be \$72,000.

Formula: Range Spread % = (max-min) / midpoint x 100

TYPICAL RANGE SPREADS BY ROLE



Different roles call for different spreads, based on how much pay varies with experience, performance, or market demand.

- **Entry-Level / Support Roles**

- Narrower spreads (30–40%)
- Example: Office Assistant midpoint \$40,000 → range \$32,000–\$48,000
- Why: Skills are more standardized; less variation in pay.

- **Mid-Level / Professional Roles**

- Moderate spreads (40–50%)
- Example: HR Generalist midpoint \$70,000 → range \$56,000–\$84,000
- Why: More room for growth and performance differentiation.

- **Manager / Technical Specialist Roles**

- Wider spreads (50–60%)
- Example: IT Manager midpoint \$100,000 → range \$75,000–\$125,000

Why: Broader differences in expertise, leadership scope, and impact.

- **Executive Roles**

- **Largest spreads (up to 80%)**
- **Example: Director midpoint \$150,000 → range \$105,000–\$195,000**
- **Why: Pay varies greatly depending on company size, industry, and strategic responsibility.**

TIPS FOR SETTING RANGES



Anchor to Market Data

Start with reliable comp survey data to find a solid midpoint.

Stay Consistent Across Levels

Use similar spreads for similar role types. Don't let bias creep in.

Think About Career Growth

Wider spreads = more room for growth in-role. Narrow spreads = more pressure to promote.

Balance Equity and Flexibility

Too wide a range can feel unfair; too narrow can restrict you. Aim for a balance that reflects your pay philosophy.

Keep It Simple to Start

If your organization is new to structured ranges, start with one standard spread (e.g., 40%) and expand as your system matures.

Role Type	Typical Range Spread	Example Midpoint	Example Range
Entry-Level / Support	30-40%	\$40,000	\$32,000 - \$48,000
Mid-Level / Professional	40-50%	\$70,000	\$56,000 - \$84,000
Manager / Specialist	50-60%	\$100,000	\$75,000 - \$125,000
Executive	60-80%	\$150,000	\$105,000 - \$195,000

IF YOU'RE THINKING, THIS IS TOO MUCH FOR RIGHT NOW, JUST REMEMBER: RANGE SPREADS GIVE STRUCTURE TO PAY DECISIONS, HELP EMPLOYEES SEE WHERE THEY STAND, AND GUIDE FAIR, CONSISTENT SALARY GROWTH. THE KEY IS ALIGNING YOUR SPREADS WITH ROLE TYPE, MARKET DATA, AND YOUR OVERALL PAY PHILOSOPHY.