

# Performance & Levelling Framework

The Full Guide

by [peoplesuite.io](https://peoplesuite.io)

For Series A-B companies (40-200 people)

EU focus

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# 1 The Problem

## Why You're Reading This

Maybe your team has been raising it - managers asking for clearer guidance, your People lead flagging inconsistencies, or feedback surfacing that people don't see a path forward. Maybe you lost someone good who said in their exit interview they couldn't see how to grow here. Maybe you're noticing that comp and levelling decisions are being made in isolation across teams, and the cracks are starting to show.

Whatever brought you here, you've realised your company has outgrown informal performance conversations. What worked at 20 people doesn't hold at 60, and it breaks at 100+.

## Who This Is For

### Founders / CEOs

You need structure but don't want bureaucracy. This framework scales with your team without slowing it down.

### VPs / Heads of People

Building this for the first time. You'll find concrete steps and decision frameworks here - not theory.

### CFOs

You need comp decisions to be defensible and consistent. This gives you the infrastructure to support that.

### The Sweet Spot: 40-200 People

Series A-B. Under 30, you probably don't need this yet. Over 200, you need more sophistication. Already have a framework that isn't working? Most of this still applies - you're rebuilding rather than building.

## The Signals

Most Series A-B companies hit this point somewhere between 40 and 80 people. The signals are consistent:

- **Career progression** - people asking and not getting clear answers
- **Comp decisions** based on negotiation strength rather than contribution
- **Titles** that don't mean the same thing across teams
- **Manager consistency** - very different bars for what "good" looks like
- **New hire levelling** that doesn't align with existing team members
- **Fairness concerns** - especially around pay, growing louder as teams join

**EU watch:** If you're operating in the EU, the Pay Transparency Directive requires objective, gender-neutral criteria for pay decisions. Member states must adopt this into national law by June 2026. You need the infrastructure to support this - and the sooner you start, the less it feels like a compliance scramble.

## Do You Actually Need This?

A levelling framework isn't free. It takes 3-5 months to build properly. It requires leadership time, manager capacity, and political capital. It will surface uncomfortable truths about pay, titles, and performance that you'll need to address.

If you're under 40 people and things are mostly working, you might not need this yet. If your leadership team isn't willing to show up for it visibly, it won't land regardless of how good the framework is. If you're doing this because you think you should rather than because you're seeing real problems, pause and ask whether now is the right time.

Some companies reach this point because the informal approach is actively breaking - they're losing people, managers are struggling, fairness questions are mounting. Others see it coming and want to get ahead of it before it becomes a fire drill. Both are valid reasons to start. If either describes where you are, keep reading.

## What This Guide Gives You

A practical guide to building a performance and levelling framework at a scaling company. It covers the full process - from readiness through to embedding - so you understand what to build, why, and in what order. The companion template pack - calibration spreadsheet, review templates, comms plan, comp philosophy worksheet, and 1:1 template - is available at [peoplesuite.io](https://peoplesuite.io).

By the end you'll understand:

- How to design a dual-track career framework (IC and Manager tracks)
- The critical decisions and trade-offs involved
- How to define your compensation philosophy (this underpins everything)
- What good competencies look like
- How to run calibration that actually works
- How to communicate without creating panic
- How to handle legacy titles and job title policy
- How this connects to EU Pay Transparency

## 2 Your Company Size

The framework is the same across sizes. How you apply it depends on where you are.

### 30-50 people

You might not need the full framework yet. But you probably need basic levels (Junior/Mid/Senior/Lead), structured 1:1s, and a comp philosophy. Start building habits now so the transition is smoother later.

### 50-100 people

The sweet spot for this guide. Big enough that informal is breaking, small enough to implement cleanly without massive operational overhead. Key challenges: first-time managers, team inconsistency, comp decisions that need rationalising, legacy titles.

### **100-200 people**

More sophistication needed. Dedicated People function. More formalised calibration. Function-specific descriptors. Better tooling (HRIS, review platforms). Framework stays the same; operational overhead increases.

### **200+**

Beyond this guide. You likely need dedicated comp analysts, function-specific frameworks, and more sophisticated tooling.

## **3 Before You Start**

### **Are You Ready?**

Not every company that wants a framework is ready to start designing one. Building it is the easier part. Making it stick requires groundwork. Skip this and you'll make assumptions that cause problems later.



#### **Visible leadership commitment**

If you're the CEO reading this: you need to show up for this, not delegate it entirely. Your managers and broader team will take their cues from you. If you treat this as an HR exercise, they will too, and it will die on arrival. You don't need to design it - but you need to own the decisions, show up for calibration, and back it publicly.

If you're the VP People reading this: make sure your CEO/founder understands what this requires from them before you start. The single biggest predictor of whether a framework lands is whether leadership treats it as theirs or as another "People Team project."



#### **Data - or at least signals**

You don't need perfect data. But you need enough to make informed decisions: what you're paying everyone, some form of role descriptions, benchmarking against market rates, manager views on performance. If you're missing most of this, you're not ready to design a framework - you're ready for a data gathering exercise. Start there.



### **Manager buy-in - or at least willingness**

Your managers will do most of the work: assessing their people, having the conversations, fielding the questions. The good news: most managers at scaling companies are relieved when you give them a framework. They've been making judgment calls in isolation. What they resist is complexity and ambiguity.



### **Realism about resistance**

Expect pushback from the broader team. If you're going from no framework to a framework, you're introducing structure into an environment that may have valued its informality. Some people chose a startup specifically to avoid corporate processes. Plan for pushback. It's normal.



### **Realistic timing**

This takes 3-5 months from kickoff to embedding. The time isn't spent writing documents - it's the build-up: research, stakeholder conversations, testing drafts with managers, training, giving people enough space to prepare what they need and schedule the conversations that matter. Rushing this into 4 weeks means skipping the parts that make it land.

Can technology speed this up? Yes - LLMs can accelerate drafting, pattern analysis, and documentation. But the human parts - buy-in, feedback loops, manager readiness - take the time they take. Companies that aren't set up for pace, or try to shortcut the human work, risk building something that looks good on paper but creates a mess in practice.

## **The EU Pay Transparency Context**

**EU Pay Transparency Directive:** If you're operating in the EU, this must be adopted into national law by June 2026. Core requirements below.

- **Salary ranges in job postings.** You need pay bands. Which means you need levels.
- **Ban on salary history questions.** Offers must be based on role and level, not prior salary.
- **Objective criteria for pay progression.** Documented, gender-neutral criteria that employees can access.
- **Gender pay gap reporting.** 150+ employees report from 2027. If your gap exceeds 5% in any category and you can't justify it, you must conduct a joint pay assessment.

Germany hasn't finalised its national legislation yet, but the core obligations are set at EU level.

**Key insight:** A levelling framework with competency-based progression and pay bands is the infrastructure you need for compliance. Build it now and you're ahead of a requirement that's coming regardless.

## 4 The Framework - 5 Phases

Building a performance and levelling framework happens in five overlapping phases. Each produces outputs that feed into the next. Communication runs throughout - not just at the end. See Section 10 for the full communication approach, but keep it in mind from Phase 1.



### Phase 1: DISCOVER (Weeks 1-3)

**What you're doing:** Auditing what you have. What's working, what isn't. Talking to people. Gathering data. Mapping the landscape.

**Deliverables:**

- Summary of current state (titles, role descriptions, comp data, review processes)

- Stakeholder map
- Key themes from conversations with managers
- Gap analysis

**Who's involved:** Project lead, CEO/founder, managers, finance

**LLM Where LLMs help:** If you're running interviews or surveys, an LLM can synthesise notes and surface patterns faster than you can manually. The LLM finds patterns; you decide which ones matter.

**Data privacy matters here.** Be transparent with your team about how you're using LLMs, what data goes in, who has access, and how it's retained. Depending on your tools and jurisdiction, GDPR obligations apply - particularly around processing employee data. Get this wrong and you risk burning trust before the project even launches. Check with your DPO or legal counsel if you're unsure.

**Common pitfalls:**

- Skipping this because you think you already know what's needed
- Not including finance early enough - you'll need comp data sooner than you think

## Phase 2: DESIGN (Weeks 3-6)

**What you're doing:** Making structural decisions. How many levels? What competencies? How do levels connect to comp?

**Deliverables:**

- Level structure (typically IC1-5, M1-3)
- Draft competency framework (4-6 competencies)
- Draft level descriptors
- Decision on comp connection
- Draft role mapping

**Who's involved:** Project lead, CEO/founder, senior managers, finance

**LLM Where LLMs help:** Once you've defined your parameters - company context, culture, what your managers said matters - an LLM can draft competency descriptors across all levels, generate role description options, and

produce multiple versions for you to react to. But every descriptor needs checking against reality: does this describe what an IC3 actually does here?

Involve key managers at this stage. Test descriptors with them before finalising.

**YOU Humans own:** How many levels? Which competencies? What's the threshold for promotion? These are judgment calls that reflect your company's values and stage. LLMs generate options. You choose.

#### **Common pitfalls:**

- Too many levels (five IC levels and three manager levels is usually enough)
- Competencies that sound impressive but mean nothing at your stage
- Designing in isolation without manager input

### **Phase 3: BUILD (Weeks 5-10)**

**What you're doing:** Turning design into tools. Templates, guides, calibration materials, documentation.

#### **Deliverables:**

- Finalised competency framework
- Review templates (self, peer, upward, manager)
- Calibration spreadsheet and session guide
- Employee-facing level guide
- Manager guide
- Compensation bands
- Communication plan

**Who's involved:** Project lead, managers (for feedback), leadership (for comms)

Think about where all of this lives. A framework in a PDF on a shared drive won't get used. Put it where your team looks for information. Think beyond written docs - CEO message in Slack, All Hands segment, team walkthroughs. Most people won't read documentation cover to cover.

#### **Common pitfalls:**

- Over-engineering (the review template doesn't need 47 fields)
- Building everything before testing with 2-3 managers

- Forgetting the communication plan
- Assuming people will read written materials

**Key insight:** Before rolling out to the full company, test with 2-3 trusted managers first. Run them through the full process - assessment, calibration prep, a practice conversation. Their feedback will surface gaps you can't see from the design side. A phased rollout catches problems early. A big-bang launch without testing is a gamble.

## Phase 4: LAUNCH (Weeks 8-14)

**What you're doing:** Rolling out. Training managers. Running the first review cycle. Having the conversations.

### Deliverables:

- Managers trained and confident to run conversations
- All reviews completed with written feedback
- Manager assessments with proposed levels submitted
- Levels calibrated via calibration committee
- Performance and comp conversations held with every employee

**Who's involved:** Everyone

**LLM Where LLMs help:** Synthesising feedback data. If you're collecting reviews through forms, an LLM can anonymise and pull out patterns per person. Check the synthesis against raw data - make sure it's accurate, not just plausible.

**YOU Humans own:** Every conversation. Every calibration session. Every level decision. Every comp decision.

### Common pitfalls:

- Managers not prepping (send materials 24+ hours before; reschedule if they haven't read them)
- Rushing calibration
- Combining performance and comp conversations (separate them - if you discuss salary alongside development feedback, people only hear the money)

## Phase 5: EMBED (Weeks 12-20)

**What you're doing:** Making the framework part of how the company operates. Integrating into hiring, 1:1s, development plans.

### **Deliverables:**

- Internal salary bands shared with employees first, then updated job postings with salary ranges
- Hiring and levelling rubric
- 1:1 template referencing competencies
- Mid-cycle check-in process with trackable development goals
- Feedback loop for improvements
- Levels uploaded to your HRIS

**Watch out:** Publishing salary ranges externally before sharing bands internally is a common misstep. Your team will notice. Get internal transparency right first - share the bands, explain how they work, answer questions. Then move to external postings. Otherwise you're telling the market something you haven't told your own people.

**Key insight:** This is where it pays off. New hires levelled from day one. Job postings with salary ranges. Offers based on level, not negotiation. Managers with shared language. Comp decisions defensible. If you're in the EU, you have pay transparency infrastructure.

### **Common pitfalls:**

- Treating the launch as the finish line
- Not collecting feedback on the process itself
- Not onboarding new managers to the system
- Forgetting to upload levels to your HRIS

## 5 Critical Decisions

These decisions shape your framework. Get them right and everything downstream is easier.

**Key insight:** Compensation philosophy (Decision 4 below) isn't a nice-to-have - it's foundational. If you haven't defined how you think about pay, levels without comp bands are just labels. Consider working through Decision 4 early, even if you refine it later.

### Decision 1: Setting Up Your Tracks

Dual tracks (IC and Manager) are standard practice, but you need to consider what works best for your company's specific needs and set this up accordingly. The example below is a common starting point - adapt it to reflect your context.

**What works:** IC1-5 and M1-3, where M1 (Team Lead) aligns with IC3 (Senior). Below IC3, there's no manager equivalent - you need to be a strong IC before leading others.

## Dual Track Career Framework - Example



Entry point: IC3 = M1

**The specialist question:** There's a growing conversation around hiring specialists over generalists - ML engineers, security experts, domain-specific roles. Many companies are rethinking how they approach entry-level and generalist hiring as a result. This affects how you design your IC track. A DeepTech company needs levels that reward deep specialisation. A SaaS company might need ICs who operate across disciplines. Your descriptors need to reflect your context.

**Scaling consideration:** At 40-50 people, you might only need IC1-IC3 in practice. IC4-5 exist in the framework but you may have no one there. That's fine - you're building for where you're going. Some companies keep IC4-5 locked until they hit a certain size to prevent early inflation.

**Get this wrong:** Without a dual track, your best ICs get pushed into management because it's the only progression path. Every manager role is a multiplier - done well, it accelerates the whole team. Done badly, the impact is felt across the organisation: slower delivery, higher attrition, expensive mistakes. Don't fall into the trap of promoting your strongest contributors into roles that don't play to their strengths.

## Decision 2: Levelling Granularity

**What works:** Five IC levels and three manager levels for companies between 50-200 people. Fewer feels too broad. More creates false precision.

Sub-levels within each level help track progression and connect to comp bands. A common approach uses three stages:

Sub-level	What it means	Example
<b>.1 - Learning</b>	New to the level. Building capability. Needs support.	IC2.1 - recently moved to mid-level, still developing independence
<b>.2 - Matching</b>	Performing at level. Consistently meeting expectations.	IC2.2 - solid mid-level performer, reliable delivery
<b>.3 - Mastering</b>	Exceeding level. Showing signs of next-level capability.	IC2.3 - approaching promotion threshold, stretching beyond current scope

Whether you share sub-levels with employees is a choice. Some companies do, some don't. Both can work. The risk with sharing: people feel stuck at the Matching stage and negotiate micro-promotions instead of focusing on genuine growth.

**Get this wrong:** The system feels bureaucratic. People debate sub-levels instead of developing.

## Decision 3: Comp Connection

**What works:** Separate conversations. Performance feedback is about development. Comp conversations are about market positioning, band placement, fairness - and happen separately.

Each level has a pay band. Where someone sits depends on experience within the level, performance, and market data.

### Key sub-decisions:

- Where does your salary data come from?
- How wide is the salary range within each level? (e.g. is your IC3 band 60k-80k or 55k-90k? Wider bands give flexibility but can create large gaps between people at the same level)
- Separate budgets for merit increases, promotions, and band adjustments? (Yes - these are different decisions with different funding)
- How do you handle people below band?

**EU angle:** Pay Transparency requires objective, accessible criteria for pay progression. Your levelling framework IS these criteria.

**Get this wrong:** Performance conversations become salary negotiations. Managers avoid honest feedback.

## Decision 4: Your Comp Philosophy

If you've never written this down, start simple. A comp philosophy is just clear principles about how you think about pay.

### Questions to answer:

- Where do you aim against market? (50th percentile is common; some roles you might aim higher)
- What's your equity/cash split philosophy?
- Geographic pay differences - role-based or location-based?
- What do you benchmark against? (Companies your size and stage, not FAANG)
- How often do you review comp?

- Do people get automatic increases or cost-of-living adjustments, or is everything performance-driven?

**Critical:** No one person should own comp decisions alone. A comp committee - typically the founder, People lead, and finance lead - reviews all proposals. This prevents inconsistency, catches bias, and gives managers a body to reference when employees push back.

**Where to get data:** Ravio and Figures for European tech. Pave for US-heavy benchmarking. Mercer and Radford for larger international businesses. Your investors may have portfolio data - worth asking.

Even five bullet points on a page makes every subsequent comp decision easier.

## Decision 5: Competencies

**What works:** 4-6 competencies that are specific enough to assess but broad enough to apply across roles. Common ones: Impact, Expertise, Influence, Ownership, Judgment.

Make them observable and outcome-based. Not "shows leadership" but "leads complex initiatives with measurable outcomes." Behaviours and results you can point to.

**Reflect:** Think about the people in your company who consistently get things done well. What traits do they share? What behaviours set them apart? Your competencies should describe what you already value in practice - not an aspirational wishlist. Start from reality.

**Cross-function equivalence:** An IC3 in engineering and an IC3 in customer success should represent comparable seniority - but the work looks different. Start universal, then add function-specific examples after the first cycle once you see where interpretation gaps are.

**Competency weighting:** Not all competencies carry equal weight at every level. Influence is key for any manager from M1. For ICs, influence matters more as they get senior. Make this explicit.

**The values question:** Some companies assess values alongside competencies - you need to be capable AND a cultural contributor to progress. Others keep them separate. Be deliberate about your choice.

**Get this wrong:** Competencies so generic they apply to anyone at any company.

## Decision 6: Calibration Approach

**The workflow:** Managers assess their team and propose levels in a shared spreadsheet. A calibration committee (senior leaders, People lead) reviews, challenges, and approves across all teams.

### Setup:

- Right people: managers, senior leadership, neutral facilitator
- Right prep: spreadsheet sent 24+ hours before, employees listed highest level to lowest level, managers flag discussion items
- Right facilitation: someone neutral who keeps things moving
- Right outputs: documented decisions, rationale for changes

You can run one session or break it down by team depending on size.

**Get this wrong:** An engineering IC3 and a sales IC3 mean completely different things. Calibration catches and fixes this. Skip it and your team will talk - fairness issues will surface fast.

## 6 Competencies - Worked Example

### What to Avoid

**Too vague:** "Shows leadership." At what level? In what context?

**Too long:** A paragraph per level per competency becomes unreadable.

**Personality-based:** "Is a team player." You can't assess this objectively. Competencies describe what someone does and delivers.

**Copy-pasted from big tech:** "Drives cross-functional strategic alignment across the organisation." At 80 people, everyone is cross-functional.

# The Impact Competency: IC1-IC5

Level	What it means	What it looks like
<b>IC1 - Junior</b>	Completes assigned work with guidance	Delivers tasks on time. Asks good questions. Beginning to connect work to team goals.
<b>IC2 - Mid-level</b>	Delivers independently, owns complete work	Takes projects from brief to delivery. Contributes to team goals. Identifies and proposes improvements.
<b>IC3 - Senior</b>	Drives team-level outcomes, leads and mentors	Leads complex work with team impact. Mentors juniors. Makes decisions affecting team direction. Results recognised beyond immediate team.
<b>IC4 - Staff</b>	Cross-team strategic impact	Drives multi-team initiatives. Leads company-critical work. Shapes strategy. Solves problems requiring deep expertise and broad context.
<b>IC5 - Principal</b>	Company-defining impact	Strategic impact across the company. Defines new capabilities. Impact measured in business outcomes. Rare at 50-200 people (0-2 typically).

**Key insight:** Each level is meaningfully different. The jump isn't "does more of the same" - it's a shift in scope, autonomy, impact, and the decisions they're making.

## Promotion Threshold

One approach: if someone consistently demonstrates 3 of 5 competencies at the next level, they're ready. 2 of 5 means developing but not there yet. This prevents single-competency promotions.

## Promotion Threshold Framework

Competency	Ready for Promotion 3 of 5 at next level	Developing, Not Ready 2 of 5 at next level
Impact	✓ Met	✓ Met
Expertise	✓ Met	✓ Met
Influence	✓ Met	- Not yet
Ownership	- Not yet	- Not yet
Judgment	- Not yet	- Not yet

**Role-specific weighting:** Not all competencies carry equal weight for every role. For managers, Influence might be weighted higher from M1 onwards - it's core to the job. For ICs, Expertise might carry more weight at senior levels. Make your weighting explicit so promotion decisions reflect what actually matters for each track. A blanket "3 of 5" works as a starting point, but consider whether certain competencies are non-negotiable for specific roles.

## What to Watch For

Pattern	What it might mean
Most people at IC2-IC3	Normal. If almost everyone is IC3+, check for inflation.
Very few IC1s or IC2s	Deliberate senior hiring - or over-leveilling? Check whether this matches your actual work distribution. If you have no one doing IC1/IC2 work, you may have a pipeline gap or be asking senior people to do junior tasks.
	Level inflation. These should be rare and visible.

**IC4-IC5 without  
cross-team  
impact**

**One function's  
IC3 does not  
equal another's**

Cross-function calibration issue. Address in next calibration session.

## **7 Calibration - Worked Example**

### **Before the Session**

- Managers have assessed teams and entered proposed levels in calibration spreadsheet
- Spreadsheet sent to committee 24+ hours before
- Employees listed highest to lowest level (so you calibrate the bar from the top down)
- Managers have flagged discussion items

### **In the Room**

- Managers with reports being calibrated
- Senior leadership as calibration committee
- Neutral facilitator
- 2-3 hours with breaks (or break down by team)

### **The Flow**

1. Facilitator: "We're here to calibrate levels across teams. The goal is consistency. We'll discuss edge cases together."
2. Manager states proposed level and brief rationale (1-2 minutes)
3. Committee challenges: "How does this compare to the framework? To others at this level?"
4. No issues - confirm and move on

5. Questions - discuss against competency descriptors, not feelings

6. Make a call. Document. Move on.

## Red Flags

Flag	What's happening	Response
<b>Everyone IC3+</b>	Grade inflation	"Most ICs should be IC2. IC3 should be 15-20%."
<b>No one above IC2</b>	Grade deflation	"Walk me through your strongest performer."
<b>"They've been here 3 years"</b>	Tenure-based	"Levels reflect current capability, not tenure."
<b>Assigning IC3 to prevent someone leaving</b>	Using levels as a retention tool	"Get the level right based on capability. If retention is the concern, address it separately - comp, role scope, development path. Inflating levels to keep people undermines the whole system."
<b>Same work, different levels</b>	Inconsistency	"How does this compare to Team A's IC2s?"

## After

- Confirm decisions in writing
- Document changes with rationale
- Upload to HRIS

# 8 The Manager Piece

## This Lives or Dies With Your Managers

Managers own the front line. They prepare assessments, propose levels, have the conversations, answer the questions after. That's a lot - especially for first-time managers.

### What Managers Need

**Clarity on what's expected.** A clear checklist: what to do, by when, how.

**A usable framework.** Vague descriptors mean guessing. Confusing spreadsheets mean errors.

**Scenarios and scripts.** "When someone asks why they're IC2 not IC3, here's how to handle it."

**Safe space to ask questions.** No one should feel stupid for not knowing.

**Regular check-ins.** Not one training session then silence. A Slack message asking how it's going. After their first conversations: what went well? What was hard? What questions came up?

**Support from HR/People.** Not doing the work for them - they know their people best. But setting them up well: pre-reads, scenario prep, someone to pressure-test messaging with.

### How to Prepare Managers

1. **Pre-reads 24+ hours before.** If they haven't read them, reschedule.
2. **Lead with guardrails.** Do's and don'ts first. "Don't use levels for retention. Don't inflate. Don't promise anything not agreed."
3. **Give a structure.** Strengths, then development areas, then level and what it means, then questions.
4. **Anticipate hard questions.** "Why not IC3?" "Will this affect salary?" "I disagree." Give them language and escalation paths.
5. **Follow up after first conversations.** Check in and debrief.

## First-Time Managers

Many of your managers became managers in the last 12-18 months. Some were promoted for IC skills, not management readiness. This might be their first formal assessment.

Pair them with experienced managers. Give extra prep time. Expect clumsy conversations - it gets better with practice. What's not OK is opting out. If someone manages people, they own this process.

## 9 Legacy Titles

Every company at this stage has title debt. Someone got "Head of" when there were 15 people. Someone negotiated "Senior" in their offer. The first sales hire has a director title from their last company.

When you introduce levels, these misalignments surface. Address them head on or the framework loses credibility.

### Common Scenarios

**Inflated title:** "Head of Marketing" but 3-person team, functionally IC3 or M1.

*Handle it:* Start with the distinction: "Your title was given in a different context. Your level reflects where you're operating today against the framework." Explain what the level means in practice - scope, expectations, progression path. If they push back, focus on what IC3 or M1 looks like and ask them to self-assess against it. The title can stay on their LinkedIn - the level is what the company uses going forward. Be clear on what changes (internal decisions, comp band) and what doesn't (their day-to-day work, their team).

**Negotiated title:** Joined as "Senior Engineer" but performing at IC2.

*Handle it:* This conversation needs care - the person may feel they've been downgraded. Be direct but supportive: "Your level is IC2 based on where you're operating against the framework. That's not a judgment on your potential - it's a starting point." Walk through what IC3 looks like concretely. Then build a development plan together with specific milestones. This person will have questions: Does this affect my pay? My title? My standing? Have answers ready. If

there's a comp adjustment needed, handle it in the separate comp conversation - don't mix the two.

**Founder's early hire:** Joined at employee #5, grown with company but not kept pace. Strong IC2 in a role that now needs IC4.

*Handle it:* This is a performance conversation, not a levelling conversation. The framework reveals the gap; it doesn't create it.

**Manager who should be IC:** Great technical contributor promoted to manage because it was the only path. Not enjoying it; team knows it.

*Handle it:* Dual tracks give you an answer. M1 to IC3 or IC4 is a different track, not a step down. Frame it as a choice.

## A Note on Job Titles Going Forward

Once levels are in place, you need a clear policy on job titles. Some companies standardise titles to match levels (IC2 = "Engineer", IC3 = "Senior Engineer"). Others keep titles flexible and use levels as the internal standard. Either approach works - what doesn't work is having no policy at all.

Think about: how do titles appear in job postings? On LinkedIn? In org charts? In contracts? Align these early. If you let titles drift from levels, you'll recreate the same inconsistency you just spent months fixing.

## The General Principle

Don't grandfather everyone into levels matching their titles. The first cycle is hardest - you're resolving years of inconsistency. It might feel messy. It might feel like ripping the bandaid off. That's normal. It's a one-off, and it gets easier.

Communicate openly: "Some titles won't match levels exactly. That's expected. Levels are the standard going forward." When people ask how to handle the mismatch, give them a clear answer: external titles (LinkedIn, business cards) can stay as they are. Internally, levels drive decisions - comp, progression, calibration. Over time, titles and levels tend to converge naturally.

# 10 Communication

A framework that isn't communicated well creates more problems than it solves. People fill silence with assumptions - usually worse than reality.

**Key insight:** Communication isn't a phase that happens after you build - it runs alongside the entire process. From the moment you start working on this, people will notice. Get ahead of the narrative early. Waiting until launch to communicate creates a vacuum that rumour fills.

## The Sequence

### Phase 1: Announcement (before you build)

Tell everyone: we're building a career framework. What it will and won't do. Timeline. Opportunities to give input.

*What to say:* "As we've grown, we need clearer structure for progression, feedback, and fair compensation. We're building a framework over the next few months. This isn't about ranking people - it's about clarity on where you stand, how you can grow, and making sure decisions are fair."

*What not to say:* Don't promise outcomes. Don't say "everyone gets a title" or "this leads to raises."

**Key framing: This is a V1.** Be upfront that it will evolve. First cycle will show what works and what needs adjusting. Ongoing feedback matters. This takes pressure off and creates space to iterate.

### Phase 2: Manager prep (before launch)

Managers understand the framework and their role before employees hear about levels.

### Phase 3: Employee communication (at launch)

Multiple channels. All Hands, written guide, team walkthroughs, Slack channel for questions. Don't rely on one channel.

### Phase 4: Individual conversations

Each employee hears their level and feedback from their manager. Not HR. Not a group setting. One to one.

The manager owns this. Support them - pre-reads, scenario prep - but they know their people best.

### **Phase 5: Ongoing**

Keep communicating. What worked. What you're improving. Reinforce the V1 framing.

## **Separate Comp Conversations**

Performance conversation first (where you are, where you're heading, what to work on). Comp conversation separately (what this means for pay).

Both reference the framework. Both feel connected. But they happen at different times.

# **11 The First Cycle**

The first cycle is different from every cycle that follows. Get the framing right.

## **This Is Baseline Setting, Not Promotions**

When you level everyone for the first time, you're establishing where people sit against the framework today. The language matters.

"You're IC2" is not the same as "You've been promoted to IC2." Promotions imply movement - someone was at one level and has now progressed to another. In the first cycle, there is no prior level. You're placing everyone on the map for the first time.

Some people will be placed higher than their current title might suggest - the framework is recognising where they've already been operating. Others will be placed lower than their title. The framework surfaces a gap that already existed; it doesn't create it (see Legacy Titles section).

Be explicit about this in your communication: "This cycle establishes baseline levels. Future cycles will include promotions based on demonstrated growth against the framework."

## What About People Already Operating Above Level?

Some people will clearly be performing above where their current title suggests. A mid-level hire who's been operating as a senior for six months. Someone who was under-levelled when they joined.

The first cycle handles this. Baseline setting means placing people where they actually are, not where their title says. If someone is genuinely operating at IC3, they get placed at IC3. You're recognising existing capability, not rewarding progression - the distinction matters in how you communicate it.

The key distinction: are they consistently demonstrating competencies at that level, or are they showing flashes? Consistent performance equals place them there. Emerging capability equals place them at current level with a clear development path.

## Edge Cases

**People on leave** (parental, medical, sabbatical): Include them in the framework. Base the assessment on their performance before leave. They shouldn't return to find everyone else has levels and they don't.

**Recent joiners:** Anyone who joined in the last 2-3 months probably doesn't have enough track record for a meaningful assessment. Include them in the framework at their hiring level, note that a full assessment will happen next cycle.

**People on PIPs:** They're in scope. Level them accurately. The PIP is a separate conversation about whether they're meeting the expectations of their level.

**Contractors and freelancers:** Usually out of scope - the framework is for employees. But be deliberate about this decision and communicate it.

## What the First Cycle Resolves

After the first cycle, you should have:

- Every employee placed at a level
- Levels calibrated across teams
- Legacy title mismatches surfaced and addressed
- Pay bands applied (with adjustments where needed)
- A baseline to measure future progression against

The first cycle is the hardest. You're resolving years of accumulated inconsistency in one pass. After this, you're working with a clean system.

## 12 What Happens After

Once the first cycle is complete, you have an ongoing system to maintain. This is where actual promotions happen.

### Promotion Cadence

Most companies at this stage run promotions once or twice a year, aligned with review cycles. More frequent than that creates overhead. Less frequent and people feel stuck.

Decide your cadence and stick to it. Predictability matters - people should know when promotion decisions happen, not wonder if they're missing a window.

### How Promotions Work

**Manager proposes.** Based on the review cycle data (self-reviews, peer feedback, their own assessment), the manager makes the case that someone is ready for the next level. This goes into calibration.

**Calibration decides.** Same process as the first cycle - managers present, committee challenges, decisions are made consistently across teams. The question shifts from "what level are they?" to "are they ready for the next level?"

**Criteria:** Someone is ready for promotion when they're consistently demonstrating competencies at the next level - not when they've been at their current level for a certain amount of time. Tenure doesn't equal readiness.

**Comp follows.** Once a promotion is confirmed, the comp adjustment should follow quickly. Define when it kicks in - next payroll cycle, backdated to cycle start, start of next quarter. Whatever you choose, be consistent and communicate it.

### When Someone Doesn't Get Promoted

This conversation is inevitable and needs to be handled well.

**What to say:** Be direct about where they are against the framework and specific about what's missing. "You're strong on Impact and Expertise. The gap is Influence - you're not yet driving decisions beyond your immediate work. Here's what demonstrating IC3-level influence would look like."

**What follows:** A development plan with specific focus areas, not vague encouragement. Agree on what they'll work on and how you'll track progress. Set a timeline to revisit - typically the next review cycle, but could be a mid-cycle check-in if they're close.

**What not to say:** Don't promise a promotion next time if you're not certain. Don't blame the process or the committee. Own the decision.

## Mid-Cycle Promotions

Do you allow promotions outside the regular cycle?

Some companies don't - it keeps the system clean and prevents lobbying. Others allow exceptions for clear cases (someone was borderline last cycle and has now clearly crossed the threshold, or a critical retention situation).

If you allow mid-cycle promotions, set a high bar and require the same calibration rigour. Otherwise they become a back door that undermines the system.

**Get this wrong:** Consistency is everything here. The moment people see exceptions being made without clear justification, they lose faith in the framework - and once trust is gone, it's extremely hard to rebuild. Every exception that isn't held to the same standard as the regular process tells your team that the rules are negotiable.

## Track Changes

**IC to Manager:** Someone wants to move into management, or you need them to. They should meet the IC level that aligns with M1 (typically IC3) before taking on reports. Moving to the manager track isn't a promotion - it's a track change. Comp may or may not change depending on where they sit in the band.

**Manager to IC:** Someone realises management isn't for them, or you realise it. The dual-track framework makes this a lateral move, not a demotion. Frame it that way. They move to the equivalent IC level.

**Function changes:** Someone moves from Sales to CS, or Engineering to Product. Generally, they keep their level - the competencies are designed to work across functions. But assess whether the new function has different expectations at that level and adjust if needed.

## Level Ceilings

Some roles have natural ceilings. An SDR role might cap at IC2 or IC3. An office manager might not have an IC5 path. Be honest about this.

The conversation: "In this role, IC3 is likely the ceiling. If you want to progress further, we'd need to talk about a role change - either into a different function or into a role with broader scope."

This isn't a failing of the person or the framework. Some roles are scoped at a certain level. Pretending otherwise creates false expectations.

## Can Levels Go Down?

Rarely, but yes. If someone was over-levelled in a previous cycle, or their performance has genuinely declined, a level adjustment might be appropriate.

This should be exceptional, not routine. It requires clear evidence, calibration sign-off, and a direct conversation. It's not a substitute for performance management - if someone is struggling at their level, that's usually a PIP conversation, not a releveling conversation.

# 13 Making It Stick

## Ongoing Loops

**Integrate into 1:1s.** Reference competencies and development goals naturally. Make them part of how managers think about their people's growth.

**Development goals.** Every employee should have documented development goals agreed with their manager. Not vague aspirations - specific competencies to demonstrate, with examples of what that looks like. Track these in 1:1s. Review at mid-cycle. This creates the evidence base for promotion conversations and prevents surprises in both directions.

**Collect feedback.** After the first cycle: what worked? What was confusing? What questions couldn't be answered?

**Recruiting funnel.** New hires levelled from day one. Job postings with level and salary range. Interview process assesses against competencies. Offers based on level.

**Mid-cycle check-ins.** Six months after main cycle. Revisit goals and development. Prevents surprises.

**HRIS.** Upload finalised levels. Without clean data, you can't pull reports, track trends, or maintain accurate organisation view.

**Ask yourself:** If a new joiner asked "how does progression work here?" - could every manager give the same answer? If not, the framework hasn't stuck yet.

## What Success Looks Like

- Managers can explain levels using the framework
- New hires levelled consistently
- Comp conversations separate from performance
- Employees can articulate what they need for next level
- Fewer fairness complaints
- "Career clarity" stops appearing in exit interviews

## 14 Resources

### Compensation Benchmarking

- **Ravio** - European tech, Series A-C. Levels, comp bands, equity.
- **Figures** - European-focused comp data across roles and stages.
- **Pave** - US-heavy but growing European coverage. Total comp.
- **Mercer** - Broader international datasets for multi-country teams.
- **Radford (Aon)** - Tech and life sciences, international scaling.
- **Your investors** - Portfolio comp data. VC networks often have sharing groups.

### Career Frameworks

- **progression.fyi** - Framework examples from other companies. Reference and adapt.
- **levels.fyi** - Compensation and level data, primarily tech.

### EU Pay Transparency

- **EU Pay Transparency Directive** - Full text and tracker. Germany's legislation still finalising as of early 2026.

## 15 Working Together

This guide gives you the blueprint. Some companies implement it themselves. Most hit friction in the middle - calibration conversations that go sideways, legacy title standoffs, the first comp decisions where the framework meets reality.

That's why it helps to have someone who's done this before. It's not about building the framework - you can do that. It's about making it land and stick.

### How I Work With Companies on This

**Design + Build Sprint (4-8 weeks).** I work alongside your People lead and leadership team to design the framework, draft competencies, build the tooling,

and prepare your managers. You own it from day one - I'm there to accelerate the build and stop you making the mistakes I've seen before.

**Launch + Calibration Support (2-4 weeks).** I facilitate the first calibration sessions, coach managers through their conversations, and help you handle the edge cases - the inflated titles, the borderline promotions, the "why not me?" questions. This is where the framework either lands or dies.

**Ongoing Advisory.** Monthly or bi-weekly check-ins after launch. Light-touch support as you run the first full cycle, onboard new managers to the system, and iterate based on what you learn. Most companies need this for 2-3 cycles before the framework runs itself.

**For VC and PE firms:** I also work at portfolio level - running people audits, maturity assessments, and workshops across multiple companies. If you're looking at this from an investor lens, that's a different conversation worth having.

**Get in touch:** If this guide is relevant and you want to talk about what implementation looks like for your company: [chris@peoplesuite.io](mailto:chris@peoplesuite.io)