Global Salary Review: Benchmarking Your Key Roles

10 Oct 2012
People in Aid Reward Network Meeting

- Curtis Grund, Birches Group LLC
- Catherine McMenamin, CM (HR) Consulting Ltd
Agenda

- NGO Pay Surveys – Objectives and (Very Brief) History (10 mins)
- Introduction to Birches Group (5 mins)
- NGO Local Pay – Update (5 mins)
- NGO Global Pay - Background, Update and Working Session (10 mins)
  - Year One of NGO Global Pay – interesting results and data (20 mins)
  - Year Two of NGO Global Pay
    - Practices Survey (15 mins)
    - Data Elements (5 mins)
    - Benchmark Jobs & Matching Session (30 mins)

Questions/Discussion (10 mins)
To create the most comprehensive and reliable market data for the international NGO and development community
To support organizational effectiveness and operational excellence among international NGOs

By creating readily available access to current, robust, relevant labor market data

And building capacity for good global management of reward
Committed to helping organizations access markets, secure talent and create dynamic workplaces where together staff and programmes… *thrive*

A **collaborative community of operations professionals in NGOs supporting operational excellence for global impact***

**PEOPLE IN AID.** A global network of development and humanitarian assistance NGOs dedicated to improving organizational effectiveness by advocating, supporting and recognizing good practice in the management of people

*InsideNGO an NGO Local Pay collaborator only, not NGO Global Pay*
NGO Pay Surveys: The (Very) Brief History

2003: People in Aid and (former) ORC Worldwide launched the first “RINGO” survey, approximately 15 participants globally.
2004–10: Annual RINGO surveys building to 50+ participants.
2008: Birches Group joined with InsideNGO, People In Aid and (the former) ORC Worldwide to pilot “LiNGO” (Local surveys for International NGOs).
2010: Mercer acquires (former) ORC Worldwide and RINGO survey. People In Aid discontinues partnership with RINGO.
2010: Birches Group, InsideNGO and People In Aid launch NGO Local Pay surveys (successor to “LiNGO”).
2011: NGO Local Pay surveys launch in 47 countries.
2011: Birches Group and People In Aid launch NGO Global Pay, a companion survey to NGO Local Pay (40 participants).
2012: NGO Local Pay surveys launch in (projected) 76 countries. NGO Global Pay launches 2nd iteration (target 50 participants).
Why Two Surveys: Local and Global?

Remember the objective: To create the most comprehensive and reliable market data for the international NGO and development community.

NGO Local Pay (http://ngolocalpay.net) covers in-country staff, which could be from 50% to 90% of an INGO’s total global employee population:
- Benchmarks in-country roles from entry-level operational roles (e.g. Driver) to leadership (e.g. Country Director) level – consistent methodology across countries
- Examines 'total compensation'

NGO Global Pay covers mobile and internationally-recruited professional, management and leadership staff, a smaller, but critical core-talent part of an INGO’s total global employee population:
- Benchmarks key HQ and expatriate roles from entry level programmatic or support staff through to CEO
- Examines policies and practices associated with global mobility

Both rooted in INGO Consulting history and using a common job-leveling approach.

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Birches Group LLC is a specialized human resource consultancy focused on labour market data in over 140 emerging and developing countries.

Conduct annual total compensation surveys throughout the developing world, and work with clients from multi-national companies, international organizations and NGOs to manage their compensation practices.

Also offer organization design consulting services and solutions, including our Community system which integrates job evaluation, competencies and performance managements.

Specialties: compensation, organization design, salary surveys, developing markets

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The founding partners of Birches Group developed the surveying capacity of the United Nations (within UNDP) to effectively manage pay for 140+ national offices.

Over 600 occupations, 28+ specialized agencies, 140+ countries.

Identified “leading employers” for “micro-surveys” in each market:
- International public sector (multilaterals, bilaterals)
- NGOs
- Private sector

Established independent consultancy in 2006
NGO Local Pay Update

2011: NGO Local Pay surveys in 47 countries
2012: 52 launched by the end of September, on target to launch 76 (29 “new”) by end-2012

2011: 175 organizations participated in at least one NGO Local Pay survey
2012: over 250 participating (so far)

2011: 17 Preferred Partners
2012: we now have 25.

We aim to conduct 76 NGO Local Pay surveys in 2012; repeat all those in 2013, and add another 24, to reach 100 NGO Local Pay surveys in 2013.
• NGO Local Pay Surveys
• Who Are the Preferred Partners
NGO Local Pay Update

“comprehensive”
- Country coverage – 47 to 76 to 100
- Breadth of participation – 175 organizations to 250
- Breadth of data – total gross compensation and benefits

“reliable”
- Annual, at same point in pay cycles each year
- Repeat participation at 50%, target to increase to 70% in 2013
- Growing core group of leading employers participating annually wherever they operate

“current, robust and relevant”
- No survey more than 12-months old
- Average of 15 participants per survey in 2012 (20 surveys with 20+ participants in 2012 to date)
- Broad range of international NGO employers, and access to international public and private sector data as desired
NGO Global Pay
What is NGO Global Pay?

- NGO Global Pay benchmarks key headquarters and expatriate roles
- It builds on the legacy of the ORC Worldwide RINGO survey and complements the NGO Local Pay surveys
- Whereas NGO Local Pay typically surveys BG1 (physical operations) – BG11 or BG12; NGO Global Pay surveys BG8 (entry-level working professional) – BG15 (President/CEO). Please refer to your benchmark job list.
- (Note: overlap between the two surveys of BG8 – BG11 or BG12.)
- Launched in 2011; Cycle two launching now in 2012
- Data collection during October; Data output November
- Results webinar and discussion December
What data is collected?

• Compensation
  – Base salary scale (MIN/MAX)
  – Average actual salaries per position
  – Guaranteed payments
  – Various in-kind benefits
  – Pension, social security, life and medical insurance

• Positions
  – Benchmark jobs
  – Number of incumbents per position
  – Location of position

• Questionnaires are provided to facilitate the requisite interview.
• The interview serves to validate all pieces of information disclosed by email.
  • It is also key to establishing job matches.
NGO Global Pay – Policies & Practices
The Policies & Practices Survey

- Organizational Information
- General Policy Background
- Pay & Exchange Rate Management
- Tax & Social Security
- Cost-of-Living
- Hardship or Danger
- Housing
- Relocation
- Family Allowances
- Home Leave and Rest & Recreation
- Medical Benefits
- Retirement & End of Service Benefits
- Other Insurances
- Leave

- What makes an expat package different?

- Please refer to your handouts of the survey questions, let's hone in on a couple for discussion

- Your own distinct survey link, please complete using that and if you need someone else to be able to complete for your organisation let me know and we will assign them a link

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• Job Matching:
  • An Outside-in Approach

• Four factors that determine job levels:
  - Nature of work
  - Enabling environment
  - Partnerships
  - Results

<table>
<thead>
<tr>
<th>Level</th>
<th>Nature of Work</th>
<th>Enabling Environment</th>
<th>Partnerships</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Physical Operations</td>
<td>General Facilitation</td>
<td>Contextually Aware</td>
<td>Limited and Immediate</td>
</tr>
<tr>
<td>2</td>
<td>Mechanical Operations</td>
<td>Technical Support</td>
<td>Situational Support</td>
<td>Immediate</td>
</tr>
<tr>
<td>3</td>
<td>Repetitive Support</td>
<td>General Service Support</td>
<td>Basic Information Exchange</td>
<td>Continued Process Impact</td>
</tr>
<tr>
<td>4</td>
<td>Basic Process Support</td>
<td>Targeted Service Support</td>
<td>Basic Service Delivery</td>
<td>Focused Process Impact</td>
</tr>
<tr>
<td>5</td>
<td>Specialized Process Support</td>
<td>Independent Service Support</td>
<td>Consistent Service Delivery</td>
<td>Process Consistency</td>
</tr>
<tr>
<td>6</td>
<td>Process Execution</td>
<td>Specialized Service Support</td>
<td>Specialized Service Delivery</td>
<td>Process Integrity</td>
</tr>
<tr>
<td>7</td>
<td>Service Execution</td>
<td>Integrated Service Support</td>
<td>Integrated Service Capacity</td>
<td>Service Integrity</td>
</tr>
<tr>
<td>8</td>
<td>Basic Conceptual Comprehension</td>
<td>Supportive Exposure</td>
<td>Information Acquisition</td>
<td>Personal</td>
</tr>
<tr>
<td>9</td>
<td>Analytical</td>
<td>Collaborative</td>
<td>Intellectual Engagement</td>
<td>Professional</td>
</tr>
<tr>
<td>10</td>
<td>Adoptive Delivery</td>
<td>Author</td>
<td>Relationship Management</td>
<td>Professional Team</td>
</tr>
<tr>
<td>11</td>
<td>Substantive Innovation</td>
<td>Expansive</td>
<td>Advocacy Champion</td>
<td>Programme Team</td>
</tr>
<tr>
<td>12</td>
<td>Integrated Programme Management</td>
<td>Catalyst</td>
<td>Programme Representation</td>
<td>Cross- Programme Inter-Service</td>
</tr>
<tr>
<td>13</td>
<td>Systematic Planning Leadership</td>
<td>Engaging</td>
<td>Institutional Leadership</td>
<td>Core Inter-Departmental</td>
</tr>
<tr>
<td>14</td>
<td>Cross Programme Cohan</td>
<td>Strategic</td>
<td>Leadership Networking</td>
<td>Organisational Position within the Community</td>
</tr>
</tbody>
</table>

This factor measures the substantive contribution required by the job, the scope, depth and difficulty of work and, the nature of work demands placed on the incumbent. It identifies where the work is situated on the professional continuum and the level of difficulty to be expected at each stage.

This factor captures the enabling characteristics of the work environment in terms of the organisational context and the structure with respect to the delegation of authority and the degree of empowerment. It is informed by the role or the job in the team's ability to role the job facilitators for other members. The nature of relationships within a team, the flows of supervision and the degree of empowerment provided is assessed.

This factor measures the type and degree of interaction necessary in building partnerships, the focus of engagement and the type of interlocutors. It identifies the type of outreach and those touched.

This factor measures the effect of the organisation and its influence on the work role of the incumbent. It identifies the impact of results on the incumbent's place on the team.
• The Birches Group Analyst establishes the job matches alongside the survey participants

• We will host a mini matching session today for those of you who regularly participate and those of you interested.
Which occupational streams and levels are included in NGO Global Pay?

<table>
<thead>
<tr>
<th>Occupational Streams</th>
<th>Levels of Contribution Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Management (HQ/Region/Country)</td>
<td>• Cross-programme Cohesion (BG14)</td>
</tr>
<tr>
<td>• External Affairs</td>
<td>• Ground-breaking Substantive Leadership (BG13)</td>
</tr>
<tr>
<td>• Fundraising</td>
<td>• Integrated Programme Management (BG12)</td>
</tr>
<tr>
<td>• Finance</td>
<td>• Substantive Innovation (BG11)</td>
</tr>
<tr>
<td>• Human Resources</td>
<td>• Adaptive Delivery (BG10)</td>
</tr>
<tr>
<td>• Legal</td>
<td>• Analytical (BG9)</td>
</tr>
<tr>
<td>• Information Technology</td>
<td>• Basic Conceptual Comprehension (BG8)</td>
</tr>
<tr>
<td>• Monitoring &amp; Evaluation</td>
<td></td>
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<tr>
<td>• Operations (Logistics)</td>
<td></td>
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<tr>
<td>• Policy/Programme Development</td>
<td></td>
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<tr>
<td>• Emergency/Humanitarian</td>
<td></td>
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<tr>
<td>• Technical Assistance/Advisory</td>
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</tbody>
</table>
Which positions are included in NGO Global Pay?

- CEO
- Deputy CEO
- Head of Intl Programmes
- Head of Advocacy & Campaigns
- Head of Humanitarian
- Head of Marketing
- Head of Fundraising
- Directors – Finance, IT, HR, Security, Legal
- Fundraisers
- Communications
- HR, IT and Finance Specialists
- Humanitarian Coordinators – HQ, Region, Country
- Technical Specialists – HQ, Region, Country
- Programme Management & Officers – HQ, Region, Country
- Regional Directors – 3 sizes
- Deputy Regional Directors
- Country Directors – 3 sizes
- Deputy Country Directors
- Chief of Party
- Roving Humanitarian roles
- Logisticians
- Quality Assurance
- Grants Roles
Data Elements

- Base Pay – but what do we mean by this?
- 'Total Cash' = Base Pay + Guaranteed, non location allowances, e.g. size of job related
- Location & Family related allowances, e.g. COLA, hardship – all in practices survey

• If in doubt just ask one of us when you are completing the survey
NGO Global Pay 2011 – Interesting Data
We hear a lot about the differences between local packages and expatriate packages.

But in some countries there is convergence, and having data on both locals, from Driver up, plus typical Expatriate roles gives you the ability to start examining this.

So how do local and expat pay lines compare (excluding expat allowances)? Let's look at 2 roles in 3 countries...
40 organizations participated in the survey, headquartered in eight different countries on four different continents: Afghanistan; Australia; Belgium; Canada; France; Switzerland; United Kingdom; United States; and reported data in 39 currencies.

Participants cover a broad range of the types of work of the international NGO and development sector: advocacy, agricultural development, conservation, democratic reform, economic development, education, humanitarian assistance, and public health.

Participants reported data on a total of 3,415 incumbents in jobs located in 136 different countries.
Location, Location, Location: Does Location Matter?

Country Director (NGP-11, BG-11) Pay By Location of the Job

Base Salary and Fixed Cash Allowances

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Other Factors: Size, and Location of HQ

Country Director, Standard Programme (BG-11, NGP-11)

<table>
<thead>
<tr>
<th>Size of Organization</th>
<th>Median Pay (at 50th Percentile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All organizations</td>
<td>$83,410</td>
</tr>
<tr>
<td>Large</td>
<td>$88,825</td>
</tr>
<tr>
<td>Medium</td>
<td>$66,885</td>
</tr>
<tr>
<td>Small</td>
<td>$70,000</td>
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</tr>
<tr>
<td>North America</td>
<td>$92,945</td>
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Other Factors: Size, and Location of HQ

Pay Comparison, Operations and Program, BG-9, BG-11, BG-13

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<th>Base Salary and Fixed Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
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<tr>
<td><strong>Finance</strong></td>
<td>$124,262</td>
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<tr>
<td><strong>HR</strong></td>
<td>$152,090</td>
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<td><strong>IT</strong></td>
<td>$183,178</td>
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<tr>
<td><strong>Program</strong></td>
<td>$150,737</td>
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</tbody>
</table>

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NGO Global Pay 2012 – Matching Session
Calibration of Organisational Size

Organization Size

Small – less than GBP 15 million (USD 25 million)
Medium – GBP 15 million to GBP 50 million (USD 25 million to USD 75 million)
Large – more than GBP 50 million (USD 75 million)

Programme Size

Large Programme - greater $10m
Standard Programme - $3-10m
Limited Programme - Less than $3m
Layout for ease of benchmarking

Lay out of Benchmark Jobs

Benchmark Job Number
Occupation Stream/Job Family – search or filter
Indication of Position in Organisation – HQ/Region/Country
Sizing information, such as programme size
Key Role Discussion

Country Directors

Acts in the Role of Director in a Country Role in a programme of great visibility and importance

Directs organizational programmes at the country level ensuring quality from development through execution
Advises the organization on programme opportunities and resonance of organization mission in national context
Develops relationships with and represents the organization to donors, local and national governments,
organizational partners, voluntary agencies, media and local communities to maintain positive organization profile

Programme Size

Large Programme - greater $10m
Standard Programme - $3-10m
Limited Programme - Less than $3m
Key Role Discussion

Regional Directors

Acts in the Role of Director, International Programmes in a Regional Role with significant programme activities:

- Directs organizational programmes at the regional level, ensuring consistency and alignment with organizational mandates
- Identifies opportunities within the region for programme engagement
- Provides strategic advice to senior management on programme direction to promote effectiveness and relevance
- Represents the organization at the highest levels in the region, promoting programme awareness and support and securing resources
Humanitarian Roles – let's open the excel and take a look at this hierarchy as an example of the benchmarking model and for discussion
Questions?
Contacts

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