

Attract, Retain, Thrive: NGO Compensation Best Practices

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Webinar Guidelines

- This is an interactive webinar, so feel free to leave your questions and comments in the chat. We will also break for questions a few times throughout the session.
- This session will be recorded, and a presentation copy will be shared afterward.
- Closed captions are available if needed



Birches Group & Bond Partnership



- In January 2025, Birches Group formed a strategic partnership with Bond to provide expert insights on compensation management, specifically for organizations in the development sector, as well as survey data support to its members.
- Through this partnership, members can benefit from:
 - Birches Group's expertise in compensation management & consulting
 - Discounts on survey fees
 - Tailored webinars on reward, workforce management, and salary benchmarking surgery

Agenda

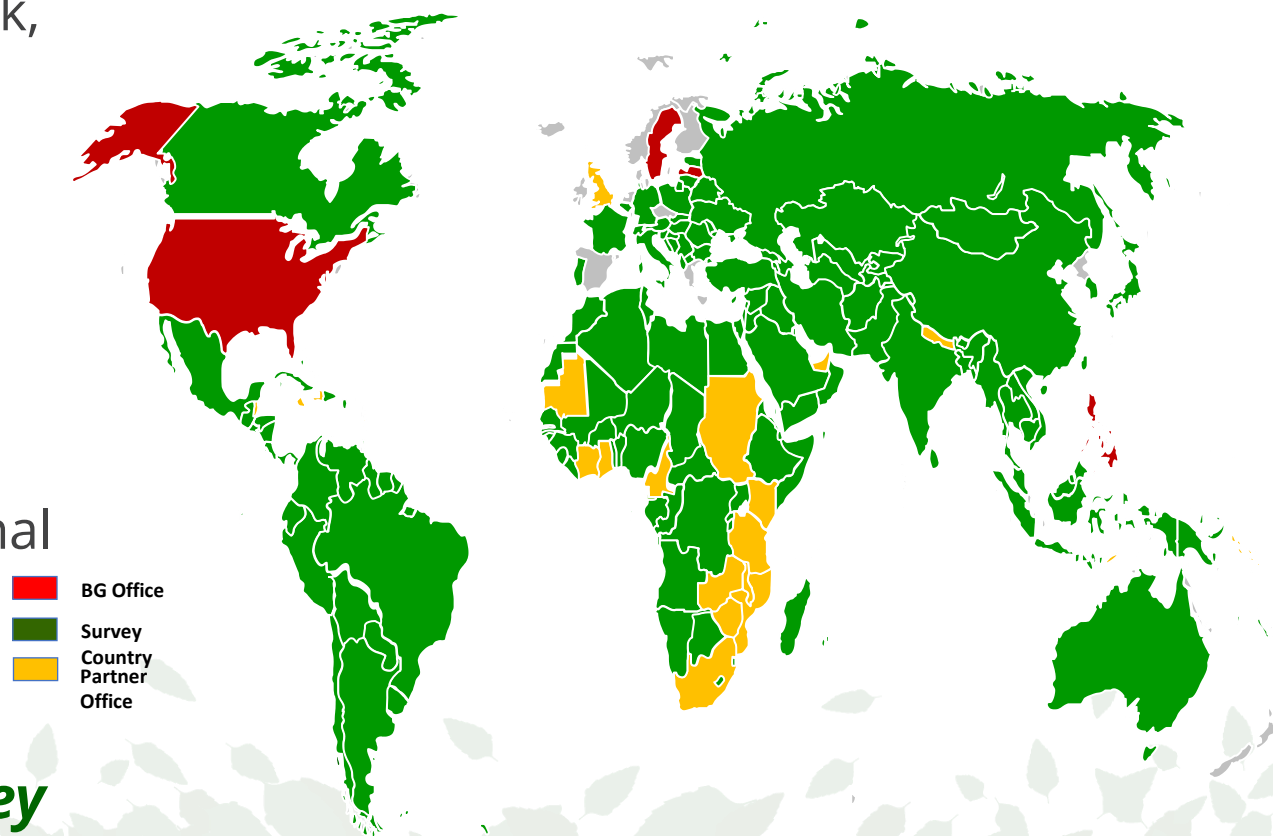
- ✓ Presentation of October 2024 UK Survey Results
- ✓ Why Salary Benchmarking is Crucial for NGOs
- ✓ Hear from VSO and their approach to compensation practices
- ✓ Our Survey Approach
- ✓ Q&A

Introductions

About Birches Group

- A specialized HR consulting firm founded in 2005, with HQ in New York, a data center in Manila, and satellite offices in Europe, Nevada, Australia, and Vancouver.
- Multi-sector surveys in over **150 countries**
- Dedicated surveys for the international development sector in over **90 locations**

The largest footprint for any survey provider!



How Birches Group became the leading survey provider for organizations in the development sector worldwide



There was a lack of reliable and consistent labor market data for organizations in the development sector



NGOs worldwide needed market benchmarks and expert guidance to develop fair pay and reward structures, to help attract and retain the talent they need



However, existing surveys lacked the depth and ability to reflect the complexities of the development sector and its unique jobs, and there was no support for NGO compensation and talent management needs



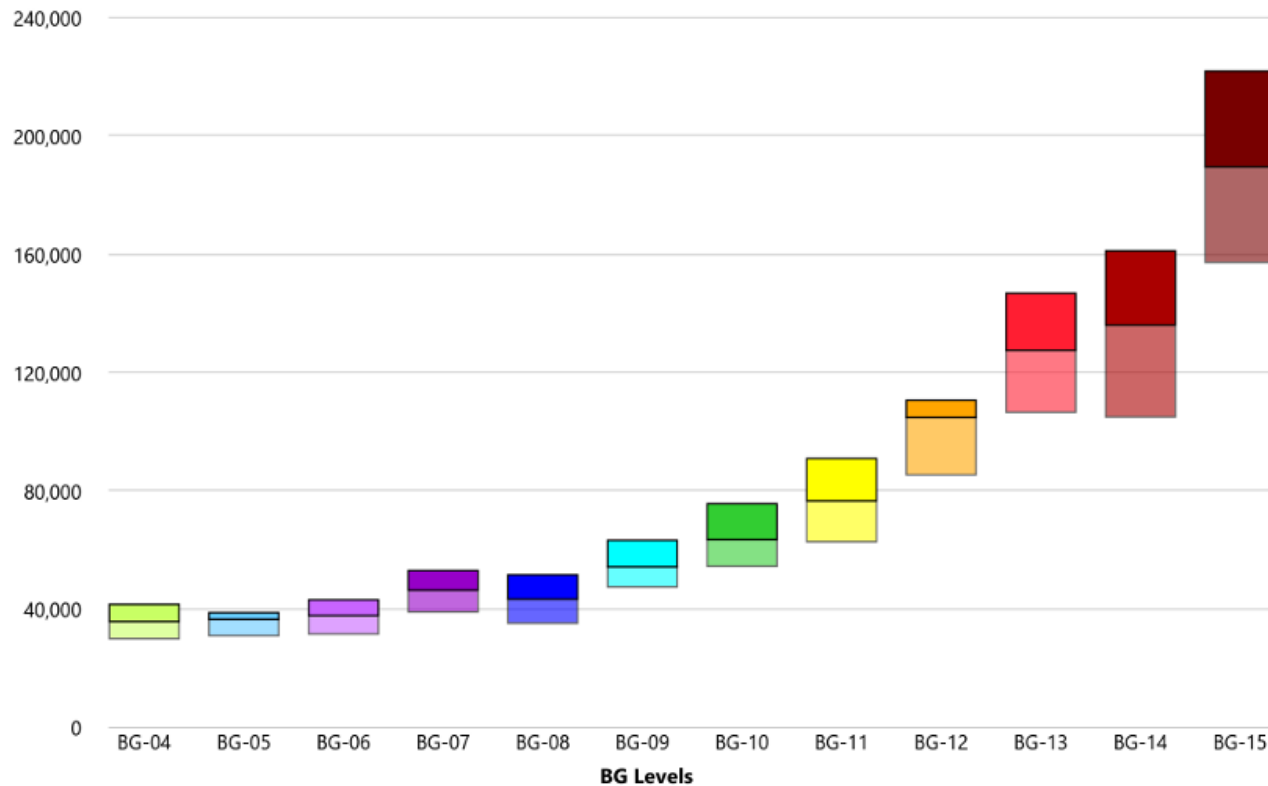
With extensive expertise in labor markets across various sectors in over 150 countries, Birches Group saw an opportunity to fill this critical gap, empowering organizations to work more effectively

List of Participants (October 2024)				
350.org	Collaborative Labeling and Appliance Standards Program (CLASP)	International Crisis Group	Open Government Partnership	Room to Read
38 Degrees	Conservation International	International Planned Parenthood Federation (IPPF)	Open Ownership	Saferworld
Abt Global	GAIN	International Rescue Committee (IRC)	Open Society Foundations (OSF)	VSO International
AIDS Healthcare Foundation	Generation: You Employed Inc.	International Union for Conservation of Nature (IUCN)	Orbis International	Water and Sanitation for the Urban Poor (WSUP)
ARK Group DMCC	Girls Not Brides	Justice Defenders	Population Services International (PSI)	Water for People
BRAC UK	GiveDirectly	Kids in Need of Defense (KIND)	Quadrature Climate Foundation	Wildlife Conservation Society (WCS)
CBM International	Global Action to End Smoking	Light for the World	Regulatory Assistance Project (RAP), The	Women for Women International
Center for Global Development	Global Greengrants Fund	Management Sciences for Health (MSH)	Relief International	World Resources Institute
Change.org	Human Rights Watch	mothers2mothers	Resolve To Save Lives (RTSL)	World Vision International
Clean Air Fund	Ideas42	MSI Reproductive Choices	Results for Development Institute (R4D)	World Wide Fund for Nature
Climate Arc	Institute for War & Peace Reporting (IWPR)	Near East Foundation	Rift Valley Institute	Worldreader
Clinton Health Access Initiative, Inc.	International Committee of the Red Cross (ICRC)	Norwegian Refugee Council (NRC)	Right To Play	

Latest NGO Compensation & Benefits Survey Results

October 2024 UK total compensation at the 50th percentile

Annual Total Compensation Comparison, 50th Percentile
 Pound Sterling (GBP)



	MIN	MAX	Span
4	29,877	41,489	38.9%
5	30,896	38,690	25.2%
6	31,484	43,000	36.6%
7	38,931	52,956	36.0%
8	35,142	51,440	46.4%
9	47,396	63,131	33.2%
10	54,354	75,513	38.9%
11	62,678	90,846	44.9%
12	85,351	110,533	29.5%
13	106,539	146,720	37.7%
14	104,875	161,073	53.6%
15	157,206	221,929	41.2%
	Average span		38.5

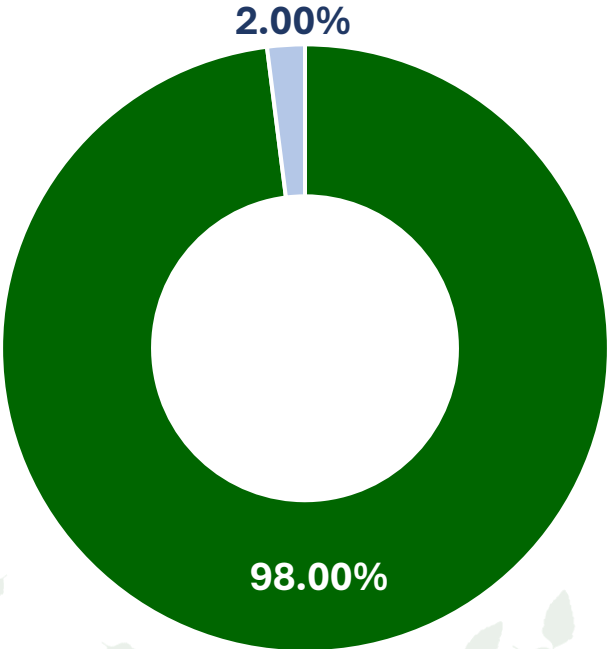
The majority of UK NGOs provide recreation and food-related benefits

PERCENTAGE OF EMPLOYERS PROVIDING CASH OR/AND IN-KIND BENEFITS

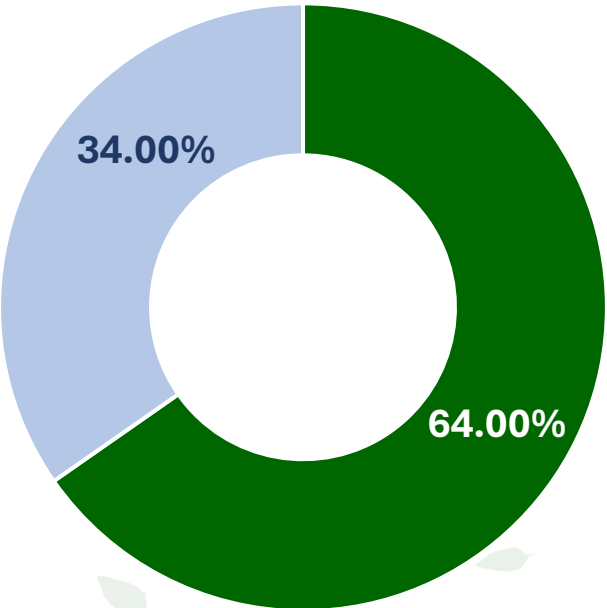


Most UK NGOs participate in the National Retirement Scheme, with over half offering supplemental pensions

Employers Participating in National Retirement Scheme

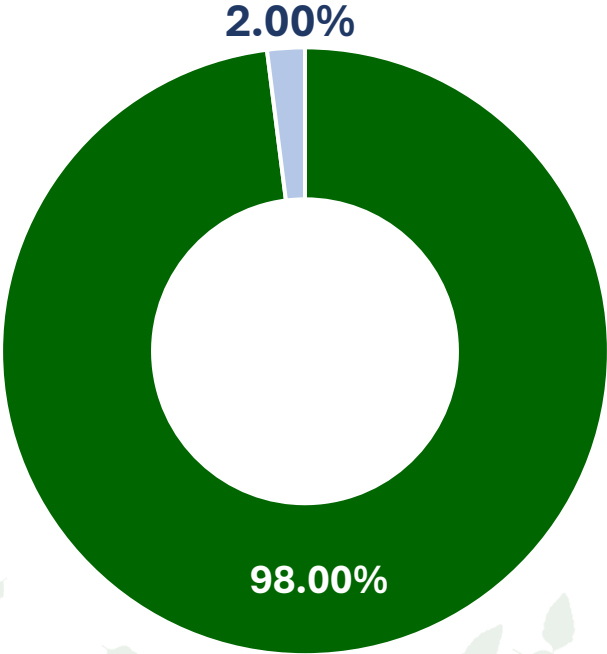


Employers Providing Supplemental Retirement Scheme

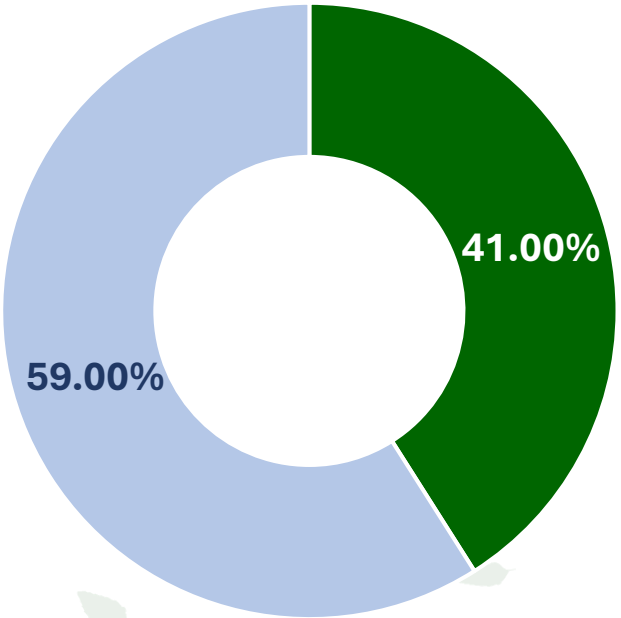


Most UK NGOs participate in the National Medical Scheme, but fewer than half offer supplemental coverage

Employers Participating in National Medical Scheme



Employer-Sponsored Plan

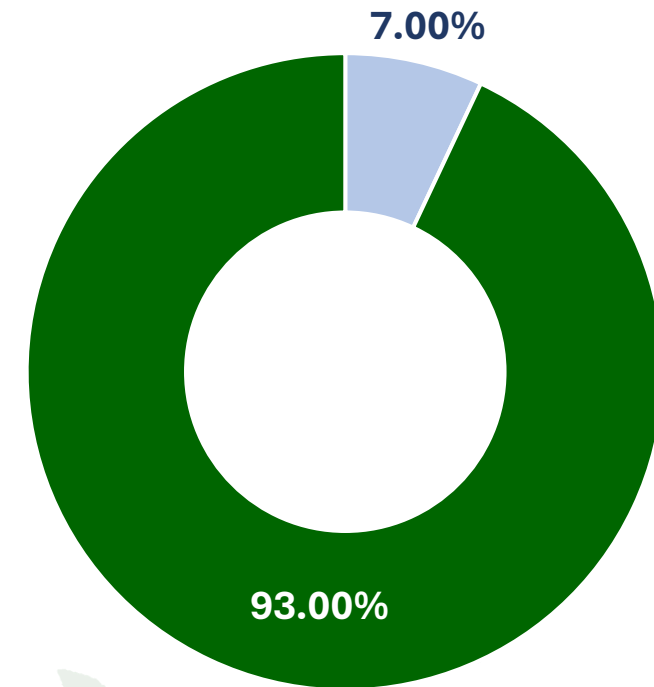


Few employers offer family benefits, while the majority adhere to labor code leave provisions

EMPLOYERS OFFERING FAMILY BENEFITS



EMPLOYERS FOLLOWING LABOUR CODE ON LEAVE PROVISIONS



NGO Compensation Best Practices to Attract, Retain, and Thrive

Salary benchmarking is a crucial tool for NGOs to attract, retain, and nurture staff



Objective benchmarking. Salary surveys help NGOs benchmark pay to attract and retain talent



Defensible compensation. Salary survey data helps NGOs justify pay decisions with transparency and accountability to staff, management, and donors



Market insights. Salary surveys provide a market perspective, highlighting trends, regional variations, and sector-specific compensation



Gap analysis. Participating in salary surveys highlights areas where compensation may lag, such as hiring rates, salaries, benefits, and more



Benefits competitiveness. Birches Group surveys provide benefits data, helping NGOs evaluate and adjust their offerings



Compliance with market practices. Salary surveys help NGOs align with sector standards and legal requirements



Proactive budgeting. Salary surveys help NGOs forecast expenses and budget for sustainability



Trend analysis. Tracking salary data helps NGOs adapt to market trends and adjust compensation strategies

First-hand experience with salary surveys
from a Bond members



2025
VSO

Compensation Practices

ABOUT VSO

A FAIR WORLD FOR EVERYONE
Creating lasting change through volunteering



Values:

Collaboration, Knowledge, Inclusion, Integrity

Income = £32.1m

77% restricted

23% unrestricted

473 employees

11,459 volunteers

25 countries

24.8 million people reached

Member of Project FAIR

Member of Birches advisory group

Signatory of FAIR Share pledge

Living Wage employer

2023/24 annual report



Fair Pay

Reward is ethical, transparent, equitable, sustainable, and compliant.

One salary structure for all countries
Different minimums and maximums for each country

PROJECT FAIR™



**Lasting change
through volunteering**



MEMBER

Pay Principles

Fair Pay

Principle 1: Ethical Reward

Principle 2: Transparency

Principle 3: Equity

Principle 4: Sustainability

Principle 5: Compliance and Risk

Standards 1:

- Free from bias and discrimination
- Respectful of the local market
- Leading by example

Standards 2:

- Policy is available to all
- Policy and processes are clearly explained

Standards 3:

- All roles are graded
- Reward is contextualised
- Approach is systematic

Standards 4:

- Evidence-based
- Periodic review

Standards 5:

- Legal compliance with local context
- Responsiveness to change

Types of contracts
Currency
Special Measures policy

Communication

Job evaluation
Local employment market

Annual benchmarking

Local payroll
Local taxation

Localisation

LONG STORY SHORT

In 2015, VSO carried out a review of contract types:

- International contracts (with expats benefits) are only justified for mobile roles
- All other positions should be on local terms

Existing international contracts maintained in their roles. Any new role was offered on local terms.

In 2019, we decided to no longer offer international contracts.

In 2023, the last international employee moved to a local contract.



At VSO, none of the roles are mobile / roving. However, our people may have to move to take up their position with us. To support them, we provide a relocation allowance. It's a one-off payment at the beginning of the contract to contribute towards the cost of relocating employees to their place of work.

There is no further help during the employment or at the end of the contract.

▼
Aliya is part of a women's group who have been trained in how to turn water hyacinth, a naturally occurring plant waste that is overgrown in her community, into biofertilizer. Philippines

Job Evaluation

THE KEY TO BENCHMARKING

Is designed to differentiate between roles.

3 criteria aligned with our values:

1. **Purpose:** substantive focus of the job encompassing the scope, depth and difficulty of the work.
2. **Engagement:** internal and external interaction needed to deliver a service, seek collaboration and build effective partnerships.
3. **Delivery:** execution of work and the role on the team for supporting business/operational functions.

BENCHMARKING

Birches methodology:

- P1 - Free from bias and discrimination
- P1 - Leading by example, approach is safe to replicate
- P4 - Evidence-based
- P4 - Periodic review

NGO Local Pay surveys:

- P1 - Respectful of the local market
- P3 - Reward is contextualised
- P5 - Legal compliance with local context
- P5 - Responsiveness to change

VSO's approach:

- P2 - Policy is available to all
- P2 - Policy and processes are clearly explained
- P3 - All roles are graded
- P3 - Approach is systematic



Inclusive education focal teacher tending to his students including those with learning difficulties and disabilities. A focal teacher collaborates closely with teachers, school leaders, parents and the community on inclusion, identification, assessment and inclusive teaching and learning. Rwanda



Special Measures Policy

Since April 2019 with scenario 1 only
Introduction of scenarios 2 and 3 in
April 2024

1. Short-term spike in inflation: 6-months allowance + benchmarking
2. Long-term rise in inflation: exceptional increase
3. Extreme currency depreciation: considered use of hard currency to set / pay salaries

Immediate assistance to our people when **economic changes** significantly impact the value of “pay”, and when this impact needs to be addressed **before the next annual review.**

Arise and Shine has 15 active members. All are young women aged 18 to 35 years old. They have been affected heavily by climate change making it hard to produce enough food from their farm. Now the group has adapted to use climate friendly strategies using clean energy and a solar pump for irrigation. They used to have to fetch water for 3 hours a day in order to irrigate the farm. This time has been saved by the use of the solar pump, giving them more time to engage in other economic activities to improve their income. Kenya

Other Benefits

NON-FINANCIAL

Pension and access to Medical care

Dispersed leadership

At VSO, we strive to empower our teams: each employee is leading and accountable in their role.

Homeworking contract

Whenever possible (for global role), we provide employees with homeworking contracts.

Flexible working

All employees can adapt their working time and location as required by the work they need to do.

Continuous learning

Employees attend external events, meet with experts, expand their network to foster continuous learning and innovation.

Performance management is an ongoing process (there is no annual appraisal). Managers are expected to check-in regularly with their teams and plan the support required to achieve high performance.



Volunteer Adérito and community support teacher Pascoa discussing a digital literacy session. The EAGLE project aims to empower adolescent girls ages 15-18 years old who dropped out of school for reasons such as early pregnancy, early marriage, chronic disease, disability, and extreme poverty. Manica and Sofala provinces, Mozambique

Communication

THE KEY TO VSO'S SUCCESS

Useful: which information is relevant to your audience?

Purposeful: why do they need to know? What is their role in the process?

Timely: when do they need to know / be reminded of this information?

Consistent: is the message still the same?

Format:

- Annual training for line managers
- Benchmarking spreadsheet for recruitment
- Annual workshop / engagement for HR
- One-to-one conversations with employees
- Salaries are advertised / approach to pay is explained to candidates



A peace committee meeting. The border region of Ethiopia and Kenya is ravaged by armed conflict due to persistent drought and famine. The IPDHE project aims to empower local communities to identify the underlying problems that cause conflict, help them develop an action plan to solve these problems, and support them in its implementation. Ethiopia

Induction

Any new HR Manager is invited to an induction meeting with the Compensation & Benefits Lead where the approach is explained but mostly so they have a point of contact for any questions.

Any new line manager does through an induction module online that provides all the necessary information.

WE HOLD THE LINE

We never shy away from a hard conversation.

We don't negotiate salaries (up or down).

We raise awareness with our donors.

We continuously refer to the principles: ethics, transparency, equity, sustainability, compliance.





THANK YOU

How does it all work?

First, we apply rigor in job matching



Job matching is the most important part of the salary survey. **If the job matching is wrong, the data becomes useless.**



Inconsistencies happen in many surveys because participants **perform the job matching themselves.**

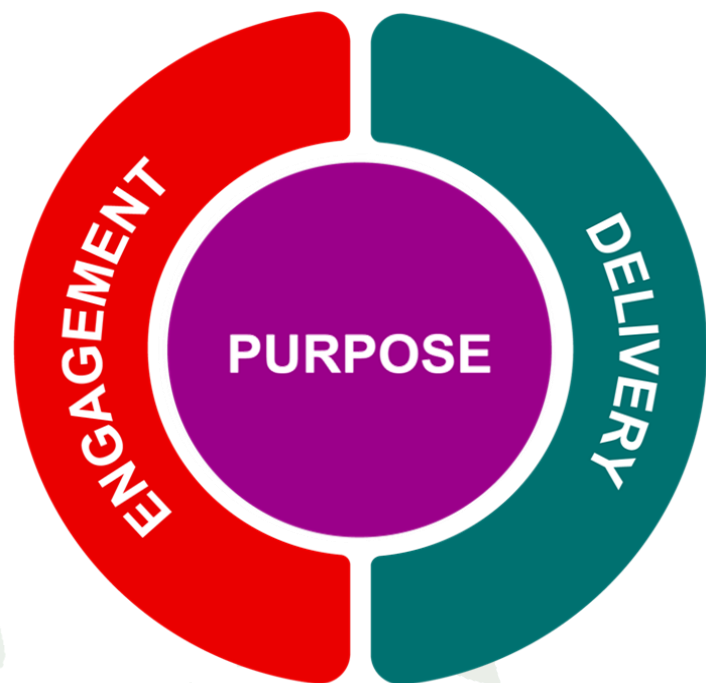


In Birches Group, our survey analysts will do the job matching for you. **All you need to do is tell us about your jobs.**



Because our analysts perform the job matching and **your data passes through three levels of review**, this ensures consistency and accuracy not just in the analysis, but throughout the entire survey process.

Job Evaluation: The Foundation



PURPOSE

Measures the substantive focus of the job encompassing the scope, depth and difficulty of the work.

ENGAGEMENT

Measures the focus of interaction both internally and externally needed to deliver a service, seek collaboration and build effective partnerships.

DELIVERY

Measures the focus on the execution of work and the role on the team for supporting business/operational functions.

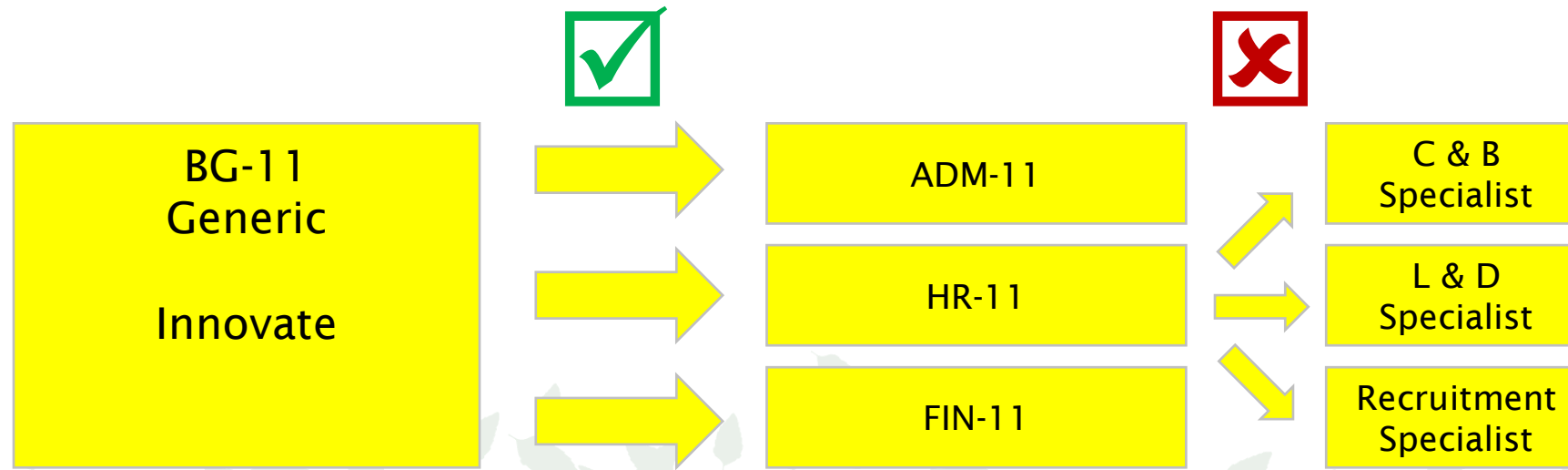
Enables our analysts to slot your jobs into our 14 Birches Group job levels

	BG Level	Purpose	Engagement	Delivery
Professional	14	Lead	Inspire	Corporate Vision
	13	Advance	Position	Corporate Planning
	12	Integrate-Transform	Empower-Compel	Develop Programme / Business Line(s)
	11	Innovate	Advocate	Define Project Cycle
	10	Adapt	Persuade	Adapt Project Cycle
	9	Analyze	Collaborate	Manage Project Cycle
	8	Apply Basic Concepts	Acquire	Understand Project Cycle
Support	7	Manage Integrated Processes	Align	Sustain Services
	6	Ensure Process Integrity	Advise	Sustain Standards
	5	Execute Intricate Transactions	Inform	Prioritize and Select
	4	Process Basic Transactions	Inform	Organize Basic Information
	3	Provide General Support	Exchange	Present
	2	Provide Mechanical Support	Aware	Consistent Repetition
	1	Provide Physical Support	Aware	Consistent Repetition



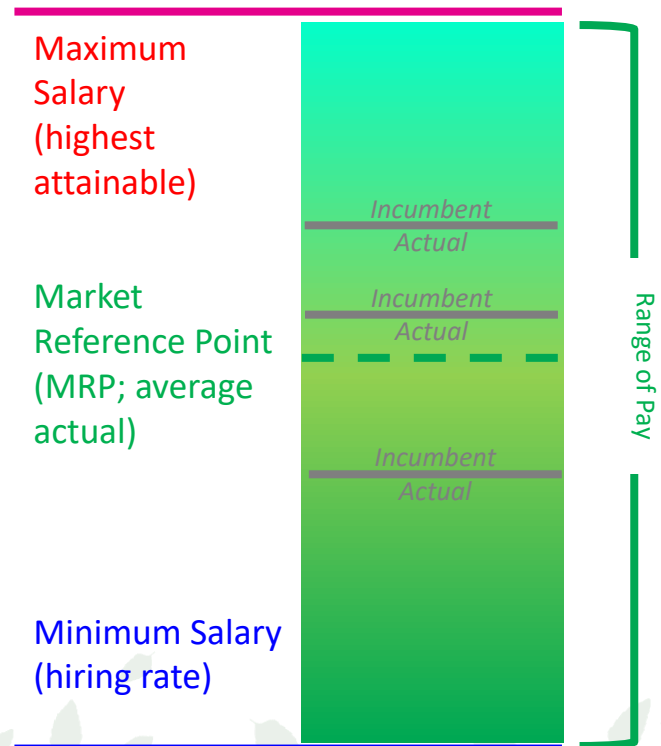
Our approach focuses on grades, not occupation

- ✓ Evaluations are made based on generic level first, occupation second
- ✗ Overly refined distinctions of functions within occupations are **not** relevant.



Our approach captures ranges, providing a more stable market reference year after year

'Salary is NOT just one point'



Bookends – a better indicator of competitiveness

- **Maxima** – *A Value-Driven Relationship*
- **Average / MRP** – *unstable due to shifting incumbent demographics; FLAKY*
- **Minima** – *A Market Constant*

We present labor market data from a total compensation perspective

Selection of different combinations of components allows review of data as 'building blocks' towards TOTAL REWARD

+ Total Compensation

+ *in-kind benefits*
(food, transport, recreation, loans, etc.)

+ Total Cash

+ *short term incentives*
(variable bonuses, e.g. performance bonus, profit share)

+ Guaranteed Cash

+ *fixed cash allowances*
(e.g. guaranteed 13th month or year end bonus)

Base salary is the foundation

Our Surveys are Evergreen

- ✓ *Ongoing data collection*
- ✓ *Participate anytime*
- ✓ *Get survey updates **3 times** a year!*

Key Dates:

Cycle:	Publication:	Initial Data Submitted by:	Final Data Clarifications by:
1	April	February 15	March 8
2	July	May 15	June 8
3	October	August 15	September 8

A quick look on how you can participate
and your subscription options

Survey Participation Process

1. Registration

The completed order form is received by the assigned account manager from Birches Group.



2. Invoicing

An invoice will be sent to your registered email. Please email: billing@birchesgroup.com for any concerns.



3. Account Setup

A username and password will be sent to your registered email. Kindly use these login details to access the survey results. Please email: clientservices@birchesgroup.com for any concerns.



4. Data Collection

A survey questionnaire will be sent by the assigned account manager together with the details of the assigned data analyst in charge of the processing of your data. Kindly provide us with the organization's salary scale, benefits, list of jobs and incumbent salaries.



5. Job Matching and Data Verification

The assigned data analyst from our Survey Operations team will reach out to you to schedule a call within 1-3 days of the submission of the completed questionnaire. The purpose of this call is to conduct the job matching exercise and verify the compensation and benefits information submitted. Email exchanges after the call may be necessary in case there are additional information that need to be clarified.



6. Survey Results Announcement

An announcement will be sent to your registered email indicating the availability of survey results.



7. Interpretation of Survey Results

Option 1: Check bit.ly/bgreports for our pre-recorded guide on data interpretation

Option 2: Schedule a call with clientservices@birchesgroup.com for client-specific questions



8. Post-Survey Service

The assigned account manager will reach out to you to get your feedback on your experience with Birches Group. For any concern during your subscription period, please reach out to your assigned account manager for any additional service that you require.



Subscription Options

- **Report Subscription (\$1,550 per country/per year)**
 - 12 months access to PDF reports including all historical data and three cycles prospectively
 - Includes **one custom cut**
- **Indigo™ Add-on (Additional \$205 per country/per year)**
 - 12 months interactive access using our **software**, which allows customization and exporting of data to **Excel**. Indigo™ includes access to Trends™, our web tool to estimate market movement.

We have an *exclusive offer* for Bond

Questions