



Policy name	Remuneration policy
Date of implementation	September 2021
Date of last review	December 2017
Date of next review	August 2026
Purpose of review (if any)	To provide clear guidance on how PWYP decides on level of remuneration
Related documents	Staff handbook Staff advancement policy Professional development guidance note Performance assessment forms Global Benefits principles

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1. Introduction

People are PWYP's primary asset. To recruit and retain talented staff, we are committed to providing a competitive remuneration package, a policy on career progression and professional development opportunities.

The full suite of PWYP's policies around remuneration and professional development include:

- Professional development guidance note (issued December 2017)
- Performance review guidance note (issued June 2018)
- Staff advancement process (issued December 2017)
- Global Benefits guide (updated December 2017)
- Remuneration policy (issued December 2017)

2. Definitions

ELEMENT	DEFINITION
Remuneration	The reward or compensation given to employees in exchange for their work
Reward	An incentive aimed at motivating staff to perform better
Base-salary	The payment that an employee receives in connection with their role, regardless of their performance
Performance-linked	An incentive paid to the employee, monetary or non-monetary, that varies based on their performance
Monetary Benefits	Other compensation given to staff in cash form
Non-Monetary Benefits	Any non-financial advantage an employee receives from his or her employer



3. Remuneration Policy Principles

PWYP aims to provide a fair remuneration that will attract and retain the high calibre of staff that is required to deliver our strategic objectives and to advance our mission and values.

In order to accomplish this, we recognise the following important principles:

- Our job roles should be carefully designed so that they reflect the work which is necessary to achieve our strategic objectives. As much as possible and where relevant, PWYP will maintain a file of standard job descriptions that use consistent terminology in outlining the key accountabilities of our jobs. These are regularly reviewed and may evolve in line with the developing needs of the secretariat.
- The competencies and personal qualities of job holders, that are required to support high performance in these roles, shall be clearly articulated
- Base-salaries should be awarded according to the difficulty and complexity of each role and this then takes into account the knowledge, experience and competence that is required of the job-holder. The individual performance of job-holders in the role should be supported through the performance assessment and staff development process but will not be taken into consideration when defining base-salaries.
- The process by which roles are evaluated to determine the levels of difficulty & complexity should be consistent and transparent
- The job evaluation process must also be easy to apply so that it can be understood within the organisation and externally by our funders to support our budget negotiations
- The salaries and benefits should be competitive with other INGOs of similar size and mission, and keep pace with inflation, within affordable limits.
- In line with the goal of recruiting and retaining high-performing employees PWYP will reward excellent performance.
- The organisation will make every effort to ensure that an individual's purchasing power remains consistent, allowing employees to budget their expenditure with confidence; within affordable limits, mechanisms shall be put in place to ensure that purchasing power does not fall as a result of inflation or deployment by the organisation to another location.

4. Job Evaluation & Scoring

4.1. Evaluation Criteria

The purpose of Job Evaluation is to fairly and transparently determine the level of difficulty and complexity that is inherent in each job. In order to do this, a points-based scoring system has been developed. Jobs are scored on a scale from one to a maximum of six against each of the following dimensions:

- Knowledge or Experience Required
- Sophistication of Skill Required
- Thinking Challenge Involved
- Independent Action Expected
- Responsibility for Others
- Impact on the Success of the Organisation



- Responsibility for Physical and Financial Resources (this dimension is scored via a formula, with a maximum score of 8 points)

The total points scored across all seven dimensions are recorded for each job, and this information is used to place each job onto the Global Salary Scale (shown in summary overleaf).

4.2. Principles of Evaluation

In all evaluations, the following principles are applied:

Evaluate roles not people	The concern is with the role, not any individual job-holder. All bias must be disregarded.
Assume fully acceptable performance	Evaluation assumes competent performance of all aspects of the job as defined in the job description.
Examine current jobs	Evaluate jobs as they exist now, not as they may be in the future nor by reference to past history.
Evaluate job content	Disregard existing levels of pay and perceived status. Look only at the demands of the role.

4.3. The Process of Evaluation

All roles are awarded a score as determined by the Job Evaluation Panel. This panel shall be appointed by the Director of Finance & Operations and made up of individuals taken from across the organisation who collectively have good insight into the roles being evaluated. The Director of Finance & Operations will be a permanent member of this panel, with other members rotating annually. The team will have appropriate training in the scoring process. A minimum of 3 people shall form the panel for the purposes of determining job scores.

All jobs within the organisation were evaluated when the Global Salary Scale was developed. As new jobs are created the Job Evaluation Panel will be convened to evaluate the job and determine the points score. The Job Evaluation Panel may also be requested to evaluate changes to jobs descriptions as described in the [Advancement Policy](#).

Scores are passed to the Director of Finance and Operations who then reconciles the scores and updates the Global Salary Scale. This scale is then ratified by the SMT (or the Board in the case of the Executive Director). Copies of the full scoring system may be obtained from the Director of Finance and Operations.

In updating the Global Salary Scale, it is inevitable that the SMT will occasionally overrule the findings of some of the Job Evaluation Panel. When this occurs, the Director of Finance and Operations will consult with members of the Panel in order to ensure full understanding of the decision-making criteria. The decision of the SMT is, however, final.

5. Global Salary Scale & Bands



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The Global Salary Scale is the structured relationship between Points and Pay that is approved by the Board of Directors. The Director of Finance & Operations bears responsibility for submitting a carefully considered proposal, which will be further ratified by the SMT before submission to the Board.

Bands	Job Points
Band 1: Support Roles	7
	8
	9
	10
	11
	12
Band 2: Technical Specialists	13
	14
	15
	16
	17
	18
Band 3: Junior Management & Senior Technical	19
	20
	21
	22
	23
	24
Band 4: Middle Management	25
	26
	27
	28
	29
	30
Band 5: Senior Management	31
	32
	33
	34
	35
	36
Band 6: Executive Management	37
	38
	39
	40
	41
	42
Band 7: Executive Director	43
	44



The Evaluation Panel gives each job a points score, and it is the points that are used to determine salary. The bands listed above are simply used to give insight into reporting lines and spans of authority; or to refer to a group of similarly placed staff.

Once a job is positioned into the Global Salary Scale it would not be expected to move unless there is a substantial change to the nature of the job - see [Staff Advancement policy](#) for detail. There is no automatic points increase over time.

6. How Salaries are Decided

The Global Salary Scale is the relationship between points and pay that is chosen by the organisation. In making this complex decision, the following factors are taken into account:

- What other similar organisations are paying
- The differential cost of living in various countries of service
- How we may reward performance
- What the organisation can afford

6.1 External Benchmark

Pay benchmarking is a process of collecting data on the compensation for similar jobs in other organisations in similar sectors to establish their market rate and track movements in those rates. The aim of this process is to help set the organisation's own pay rates at the appropriate level in order to recruit and retain the staff it needs without paying more than necessary. To determine the prevailing rate for a job, organisations can benchmark against data from other organizations and industries, comparing the rates of pay offered for similar jobs.

PWYP aims to place salaries at the median level when compared to other similar INGOs and then to offer salary increments to reward high performers by progressing their salaries above this level.

6.2 Country Adjustments

The Global Salary Scale is determined by benchmarking with the UK job market, comparing PWYP with other organisations of similar size, turnover, and international scope. It is therefore fit-for-purpose in determining appropriate salaries for UK-based staff. However, PWYP positions staff all around the world in countries where the cost of living, and prevailing local job market, are different.

PWYP's goal is that staff carrying out similar roles should have broadly equivalent standards of living and, since the cost of accommodation, goods and services can vary significantly in different countries, it is important to adjust for this when determining salaries.

Base salaries for non-UK based staff are therefore adjusted according to the cost of living in their country of residence according the UN Cost of Living database¹.

¹ [Retail Price Indices | ICSC \(un.org\)](https://unstats.un.org/indicators/indicators.aspx?indicator=CU)



6.3 Currencies

PWYP staff may be paid in one of the three core currencies – GBP, Euro, and USD. The applicable currency will be relevant to the country of employment, acceptable according to the law of each host country, and will apply to all staff whether citizens of the country or third country nationals.

6.4 Performance-linked Pay

Points on the Global Salary Scale range from 7 to 44 and, in allocating salaries to these points, each has been allocated a series of steps, in each case showing the percentage of the market median salary that will be paid:

Step 1	Step 2	Step 3	Step 4	Step 5
Salary = 100%	Salary = 104%	Salary = 108%	Salary = 111%	Salary = 115%
The job holder is new to the role and may still be learning	The job holder is fully proficient in the role and consistently meeting expectations	Job holder is fully proficient in the role and also meets stretch expectations	Job holder is fully proficient in the role and also takes initiative to go above and beyond	Job holder is a long serving member of staff with a consistent track record of outstanding performance

Note that a salary of 115% of the market median is close to the 75th %ile in most salary surveys; suggesting that only 25% of other similar organisations will be offering higher remuneration than PWYP. It is intended that this salary structure will motivate and retain high functioning members of staff. Further details are available in the [Staff Advancement Policy](#).

6.5 Positioning Current Staff Within Bands

Performance-linked steps are designed to motivate and reward high performance. It is, therefore, essential that increments are only awarded to staff who are fully proficient in their roles and consistently contributing towards PWYP's success with initiative and diligence (adding value). Managers may recommend that members of staff receive a step increment after careful observation of a member of staff for more than one year. The final decision is made by the department director in consultation with the Executive Director and the Director of Finance and Operations. Awards are always subject to affordability.

It should be noted that, in determining salaries, the financial status of the organisation will be taken into account. Thus the Director of Finance and Operations has the primary role in recommending the salary which will be awarded to each point and step in the Global Salary Scale; and in confirming any performance-linked increments that will be awarded to members of staff. The resultant payroll budget is ratified by the SMT.

6.6 Positioning of New Staff Within Bands

In most cases it is expected that new staff will be positioned at Performance-linked Step 1 and that they will be progressed to Step 2 upon demonstration of satisfactory performance over an extended period not less than one year. After this, further performance-linked increments will be available as described in section 6.5 above.

However, on occasion, there may be a need to recruit a new member of staff who is already exceptionally qualified and experienced and, therefore, they may be placed at one of the performance-linked steps on entry. On these occasions, the following policies apply:



- The decision to place an incoming member of staff higher than Step 1 must be ratified by the SMT
- Serious consideration must be given to the impact of this decision on PWYP's existing high performing staff, especially those in equivalent roles who might be earning less
- There is an expectation that the incoming member of staff will be fully proficient in their role from the outset and that they will very quickly meet stretch expectations
- The new member of staff's position in the salary structure must be clearly communicated to them, along with an explanation concerning what additional performance-linked steps are open to them, if any.

7. Salary Reviews

PWYP aims to ensure that an individual's purchasing power remains consistent year-on-year, not least so that performance-linked increments will be meaningful. This means that the Global Salary Scale will need to be periodically reviewed to ensure that it keeps in-line with economic conditions. The following reviews will be made:

7.1. Annual Exchange Rate Review

PWYP Staff may be paid in one of the three core currencies – GBP, Euro, and USD. Euro and USD salaries are calculated by applying the relevant exchange rate as supplied by the annual HMRC currency rates published each year². Exchange rates are reviewed on an annual basis and staff should be made aware that rates can change upwards and downwards. Annual changes are not anticipated, but this will be monitored and in the event of significant fluctuations adjustments may be recommended by the Director of Finance & Operations. It is expected that payment in the (highly stable) core currencies will protect staff from excessive inflation in most countries of operation. However, the Director of Finance & Operations will monitor the following on an annual basis:

- If a country of operation is experiencing high levels of inflation that are not being compensated for via the exchange rate of the salary currency.
- If one of the core currencies is no longer stable, or has other problems that limit usefulness as a payment vehicle

The Director of Finance & Operations will recommend appropriate corrective action to the SMT and any changes to salaries will be communicated to staff in line with paragraph 8.0 below.

7.2. Annual Inflation Review

As mentioned previously, the Global Salary Scale is based on the UK job market and is denominated in GBP; it is adjusted to accommodate currency exchange rates and varying costs of living in other countries of service. PWYP will therefore aim to keep the Global Salary Scale in-line with UK inflation through the application of annual increments as recommended by the British Government via annually published data³.

In addition, the Country Cost of Living Adjustment (COLA) published by the UN will be reviewed annually, and any significant variations from previous years should be noted. It is not expected that Country Adjustments will be changed on an annual basis, however, significant changes may be an

² <https://www.gov.uk/government/publications/exchange-rates-for-customs-and-vat-yearly>

³ <https://www.ons.gov.uk/economy/inflationandpriceindices>



indication of high inflation in the affected country of service. Under exceptional circumstances, it may be appropriate to edit the cost-of-living-adjustment calculation in the Global Salary Scale, before the next scheduled 4/5-yearly update.

The decision as to whether or not there will be an annual COLA pay award, or other adjustment to the Global Salary Scale, will be made based on PWYPs financial position and budget. If there are sufficient resources, then a pay award will be included in the budget assumptions. The Director of Finance & Operations has primary responsibility for proposing viable inflationary increments, and the decision is ratified by the SMT.

It is important to note that it is the Salary Scale that is inflated by this review, so all performance-linked steps will be automatically uplifted at this point, and new staff will be brought on in the new salary structure.

7.3. Global Salary Scale Review

The Global Salary Scale will be reviewed every four to five years using the following mechanisms:

- Participation in a salary survey conducted by a reputable UK-based specialist firm. Salaries paid by not-for-profit organisations of similar size, scope, turnover and international reach as PWYP will be determined
- Review of the UN Cost-of-Living scales and re-calculation of the Country Cost-of-Living Adjustments and update of exchange rates. Spot-checks will be conducted to validate the salaries that are calculated by the proposed new Global Salary Scale. This will be achieved by identifying a representative sample of countries of operation, and obtaining a single-role salary benchmark for one of PWYP's common roles (e.g. Regional Coordinator). The aim is that the salaries suggested by the Global Salary Scale are within the broad range of the local job market, and not less than the market median.

8. Communication of Salary Changes

Once salary adjustments are approved by SMT, the approach will be shared with managers. Individual pay awards will then be communicated by the Director of Finance and Operations. They will be paid in the next pay cycle and backdated with effect from 1 January each year. SMT will endeavour to communicate salary changes by the end of April every year.

If staff salaries are changed during the contract period (for instance as a result of a salary review or performance-linked increment), staff will be sent a letter documenting the changes and the date of implementation. A copy of the letter will be placed in the employee's file, annexed to the contract and shall be considered a part of the contract.

9. Financial Allowances

9.1. Acting-up Allowances

'Acting up' is when a member of staff covers the work of a more senior member of staff when they are absent. It is PWYP's policy that all staff should be willing to cover for colleagues during absences and should be flexible in going beyond their job description in order to ensure the success of the team. Therefore, as a general rule, 'acting up' allowances are not given. However, staff should note



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that their competent performance whilst 'acting up' will be noted as evidence of their suitability for promotion positions.

Nevertheless, there are occasions when a member of staff bears a level of responsibility higher than is reflected in the evaluation of the job for an extended period; for instance, when managing a high-budget project for longer than six months. In this case, an acting up allowance may be awarded at the discretion of the SMT. The calculation will be based on the job-evaluation points score of the temporary role, and the commensurate salary.

9.2. Overtime Allowance

It is PWYP policy that payments are not made for overtime. Business needs may mean occasional overtime is required to ensure staff fulfil their duties. For further details, please refer to the [flexible working and time off in lieu policy](#)