



A Birches Group Case Study

The Organization

The Elizabeth Glaser Pediatric AIDS Foundation (EGPAF) is a nonprofit organization dedicated to preventing pediatric HIV infection and eliminating pediatric AIDS through research, advocacy, and prevention, care, and treatment programs. Founded in 1988, EGPAF supports activities in 19 countries around the world.

<http://www.pedaids.org/>

The Challenge

Up until 2011, EGPAF had a decentralized salary system where each country office had its own structure and implemented its own policies. The following year, they hired a consultant to sort out their salary system and was later able to consolidate many of the things that country offices developed and executed themselves. This change led to the development of a well-defined global salary structure and system which EGPAF carried out for another two to three years.

But despite having a centralized salary system in place, EGPAF needed to ensure that their salary scales were keeping up with the market. To do this, they knew they needed access to high-quality market data, particularly in African locations where most of their country offices operate.

And since EGPAF works in volatile markets, they also recognized the need to have the capability and strategy in place to deal with unpredictable events such as a currency devaluation or hyperinflation.

“The Birches Group market data had a good grasp of what was going on the ground. This was really the driver in our decision-making process.”

***– Andrew Moir, International HR Director,
Elizabeth Glaser Pediatric AIDS Foundation***

The Journey

Since developing their centralized salary system, EGPAF already had access to market data. However, they were unsure about the quality of the data they were getting, since the data was opaque (no further details were provided about which organizations were included in the surveys).

Also, EGPAF wanted to really tap into Africa-specific NGO market insights. They realized that they needed a better source that was more in touch with the African context, its markets, and had the experience of working extensively in these locations.

EGPAF wanted to review, refresh and take a different approach altogether.

“Refinement – that was what met our needs. We were pleased with our previous provider, but we were reassured with Birches Group. We asked Birches Group to take a refreshing look at our current process and make quick decisions on compensation issues.”

– Tami Ward-Dahl, SPHR, Vice President of Administration and Human Resources, Elizabeth Glaser Pediatric AIDS Foundation

The Solution



Following a competitive bidding process, EGPAF chose Birches Group as their compensation partner for a multi-year period. The scope of the engagement included a salary scale design project that would further refine their existing salary scales, using a view that was much closer to the local setting. The organization was already familiar with the Birches Group NGO Local Pay surveys, and had been participating as a Sustaining Partner in all locations. They knew Birches Group had the expertise in bringing with them reliable and consistent market data and a good understanding and experience with working in highly volatile and complex markets.

Also, EGPAF recognized that with this transition, there was going to be an adaptation process, a lot of education and conversation and Birches Group was more than prepared to assist and guide them along the way.

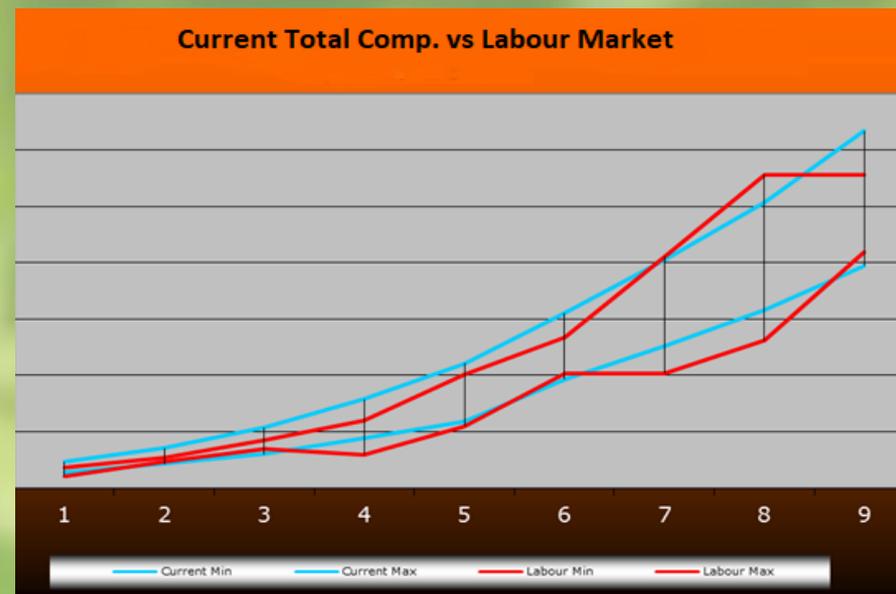
Moir said, “There has been close alignment between the Birches Group approach and our own philosophy which has made the transition to Birches Group easy. The Birches Group team quickly understood our needs and have also helped us refine and better explain our philosophy.”

This project would tap into the firm’s expertise in applying data in the context of the organization’s specific needs. This scale design project was created and lead by EGPAF’s compensation experts together with Birches Group specialists.

First, Birches Group started by mapping EGPAF’s global structure to its own benchmark levels and from there, selected a comparator group that was most relevant to the organization to be the basis for their salary scale design analysis.

In the first year of the project, Birches Group did not recommend any major changes to EGPAF’s structure and decided to stay with the organization’s existing grades. Instead, the aim was to look at each country individually, especially in Africa, and further refine each of the existing structures and systems based on dependable market intel that was more in tune with the local setting – Birches Group’s NGO Local Pay Surveys.

Birches Group then created options to address EGPAF’s salary scale concerns that would be able enhance their salaries in each location, all while meeting the organization’s overall objectives and budget. Constant conversations and consultations were done alongside EGPAF’s compensation experts to ensure proper execution and transition as much as possible.



Ward-Dahl adds, “The team has been very supportive and responsive to requests including providing special assistance, customized reports, single position data, advising on policy issues, helping to address unique challenges in some of our countries, advising on job gradings, etc. At times, we have leaned on them to dig into some critical / complex issues, which they have done with flexibility and thoughtfulness.”

Birches Group went on to develop three different salary scale options for each country for EGPAF’s consideration. Their experts then selected the most suitable scale, one that fits within the organization’s compensation objectives and budget. To date, all EGPAF’s country offices have now applied the recommended salary scale changes following the multi-year salary scale design project. And, in 2017, EGPAF extended the engagement for another three years.

Nevertheless, there were challenges encountered along the way. Some country offices felt that Birches Group applied an approach that was too conservative, where the market was a bit underestimated. Others felt that the new salary scales would still not address existing issues around retention, which EGPAF’s experts recognize is the reality of working in an environment where talent is limited.

The Results

The multi-year salary scale design project with EGPAF was successful. Below are some of the outcomes of the project:

- The project allowed EGPAF to identify which comparators were truly relevant to their organization and which salary scale approach best addressed their internal compensation issues while remaining within budget.
- The project provided EGPAF a better snapshot of the labour market through Birches Group’s salary survey data which applies a methodology designed specifically for developing markets.
- The project allowed EGPAF to better anticipate and be more equipped when sudden changes in the market occur.

Moir says, “Birches Group was able help us reach the next level through their technical expertise, strong data and ready support. We appreciate the regular reports and customized data that is supplied, allowing us to keep our scales updated and to defend salary positions with confidence.”

“We currently update each country program’s salary scales annually, based on Birches Group’s customized salary scale design reports, and use Birches Group’s salary forecasts to set our annual merit pools. We have utilized Birches Group’s benefits data for reviewing and justifying new benefits in our countries. And we also recently developed a market allowance policy to deal with surging inflation and currency depreciation challenges in some of our countries. Birches Group supported us in thinking through our approach and crafting a solid policy, now fully implemented. This has given us the ability to be more proactive when dealing with special situations.”

In the years that EGPAF has been working with Birches Group, they attest to the expertise that Birches Group consistently provides its clients to ensure continuous guidance, partnership and learning.

As a result of completing the multi-year salary scale design project, the organization’s new salary scales are now truly based on reliable market data that applies a consistent methodology developed for emerging markets.

The refinement done by Birches Group on their salary scales also allows EGPAF salaries to better reflect the value of jobs within each local setting. And through constant consultations between the organization and Birches Group, EGPAF is now a model organization, where salaries meet the target market, while also having policies in place to anticipate sudden changes common in complex developing countries.

“We have leaned heavily on Birches to develop our response to recent high inflation / currency depreciation situations, and to deal with other external challenges. Birches Group has also been flexible and responsive in helping us look more deeply into specific issues, and to quickly review our compensation structures in challenging countries, where needed. Today, we feel we are in a more competitive position, and our compensation program is more robust and accepted across the Foundation”

How Can Birches Group Assist You?

Birches Group consultants work with international development organizations on:

- Compensation and Benefits Surveys
- Compensation and Benefits Policy Consulting
- Salary Scale Design
- Community™ Job Evaluation
- Community™ Skills and Competency Development
- Community™ Performance Management
- Expatriate Policy Development

Birches Group surveys are available in 155 high growth and developing countries. Birches Group also offer separate surveys for the international NGO and development community in over 85 markets.

For More Information

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