



Case Study: Refining Compensation and Establishing Policies on Special Measures



The Organization

For nearly a century, the Institute of International Education (IIE) has been a world leader in international education. IIE works to build more peaceful and equitable societies by advancing scholarships, building economies, and promoting access to opportunity.

As a not-for-profit with 19 offices and affiliates worldwide, IIE collaborates with a range of corporate, government and foundation partners across the globe to design and manage scholarship, study abroad, workforce training and leadership development programs.

<https://www.iie.org/>

The Challenge

IIE is proud to have a market-driven approach when it comes to ensuring the competitiveness of their salaries across all locations. This very approach has led IIE to review and redesign their salary scales for all its country offices. However, despite their commitment to the development of new salaries, they did not have a plan or resource in place to have them implemented.

This, consequently, led to concerns raised from their international office heads that the changes were not well received in a few locations. At the same time, retention of key talent was slowly becoming a concern in some of their offices. IIE knew that they had to reassess their new salary scales again to certify that they are indeed keeping with their market-driven approach.

Additionally, like many organizations, IIE works in countries with volatile markets where many issues often arise. IIE is constantly in a state where the organization takes a while to respond and they know that there are economic consequences when they fail to act timely. One example was the recent devaluation in Egypt that happened in November, but IIE was only able to respond in January. IIE's team members did not have the capacity to address these issues which subsequently affected the morale of their staff. The issue started to become a distraction.

The Journey

IIE realized that their new salary scales, particularly in locations where concerns were raised, had only included base salaries into the analysis. In addition, they included all survey participants in the process instead of selecting target comparators that were more relevant.

This led IIE to look for a consultant that could further refine their newly implemented salary scales, especially in locations where their new salaries were not well received.

“All recommendations are working, but the reality is that we are in a lot better situation than we were previously.”

– Tina Garrett, Lead International Human Resources, Institute of International Education

The Solution

IIE had chosen Birches Group as their partner for a salary scale design and special measures policy project that would not only improve their new salary scales, but also help them better anticipate and respond to sudden changes in the market by setting policies in place.

IIE was already familiar with the Birches Group NGO Local Pay surveys, and has been participating as a Sustaining Partner in all its locations. They knew that apart from being their primary survey provider, Birches Group also has the ability to provide them special cuts of the data that they needed in order to show them their true niche in the market in terms of comparators.

While they believe that Birches Group had a similar approach with other providers, they stressed that Birches Group helped them rethink their principles in deciding their salary scales because they brought with them the best set of experience having worked with many other NGOs in past.

This project would tap into Birches Group’s expertise in applying data in the context of the organization’s specific needs. This scale design and special measures policy project was created and led by IIE’s senior leadership together with Birches Group’s specialists.

First, Birches Group started by having a consultation with IIE on how their new salary scales were initially designed. Then they identified specific locations where the new salary scales were not working well and made recommendations to not only use base salary as the component in the analysis, but to also use total cash compensation which would help provide a better comparison of their compensation package against the market.

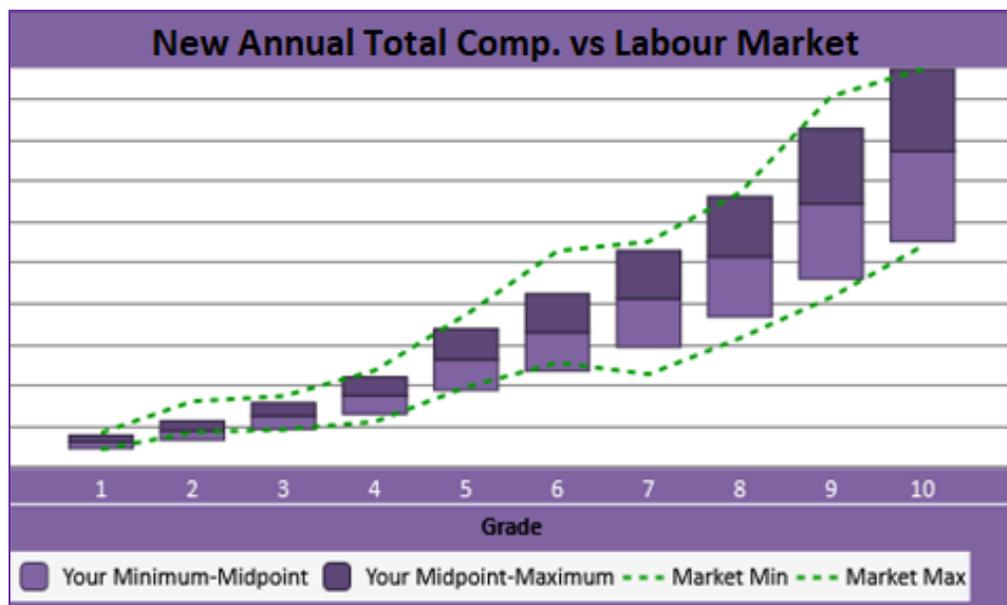
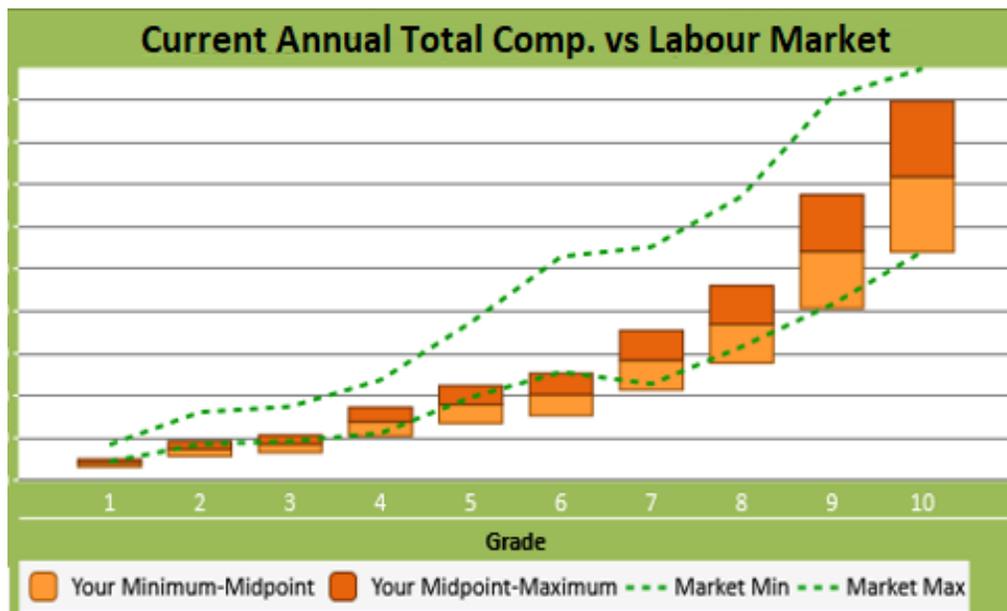
In addition, a recommendation to use a targeted list of relevant comparators – a blend of NGOs and Multi-sector employers, was also done instead of utilizing the full list of NGO participants for all IIE’s locations. Birches Group then made sure to appropriately align IIE’s roles onto its benchmark levels while maintaining their existing salary scale grades.

Birches Group then created options to address IIE’s salary scale concerns that would be able to enhance their salaries in each location, while meeting the organization’s overall objectives and

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budget. Constant conversations and consultations were done alongside IIE's senior leadership to ensure proper execution and transition as much as possible.

Birches Group went on to develop three different salary scale options for each country for IIE's consideration. Their senior leadership then selected the most suitable scale, one that fits within the organization's compensation philosophy and objectives. As soon as the salary scales were approved by IIE's senior leadership, the scales were published and worked to align with their merit increase and budget. Today, all IIE country offices have now applied the recommended salary scale changes following the scale design project.



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While all of IIE's locations have now implemented the new recommended salary scales, the biggest push back was from a budget standpoint. The organization seeks to make changes but keeping everything aligned well within budget.

Birches Group also conducted a one-day seminar with IIE where thorough discussions were done to outline a general framework on how the organization should respond to sudden events in the market. IIE also had conversations with other members of the NGO community to see how they respond and used that to lay out an action plan.

The Results

The salary scale design project with IIE was successful. Below are some of the outcomes of the project:

- The salary scale design project allowed IIE to identify which comparators were truly relevant to their organization instead of including all employers in their analysis.
- The scale design project permitted IIE to better assess the competitiveness of their salaries against the labor market by utilizing not only their base salaries, but instead, using a total cash approach in the analysis.
- The special measures policy project allowed IIE to better anticipate, be more equipped and to have a faster response when sudden changes in the market occur.

In the years that IIE 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.

After applying the refined salary scales for all country offices, IIE is now able to recruit the right talent and have seen a significant reduction in losing staff. Additionally, the organization's international office heads are now more confident in sharing information on salaries as efforts were also made to communicate and educate management on the refinement process and decision-making.

The special measures policy project now also enables IIE to identify a working group that would help recognize triggers when certain situations arise and come up with an automatic adjustment that the organization can be comfortable with.

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

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