



Salary and Pay Policy

1. Date of Policy Statement: October 2022

Purpose and Context

Humentum's salary and pay policy is designed to be competitive with comparable organizations of similar size and scope to attract, retain and reward high-performing employees at all levels. Humentum's salary levels will be benchmarked against both INGOs in markets where we work, to provide equity. A full benchmarking study was completed in April 2022 and will be conducted every three years.

Employee financial compensation is just one component of the overall, multi-level staff value proposition laid out in the Total Rewards Policy.

2. Principles

Humentum's salary and pay approach is based on the following principles:

- **Future looking:** Through use, this system will help ensure Humentum's operational alignment with our mission, vision, values, and equity principles.
- **Equitable:** We will,
 - Ensure that objective criteria such as experience, skill-level and market considerations are used to set the pay level for employees occupying similar jobs (that is, jobs evaluated to be at the same job level by an objective job evaluation). Gender, race, or other personal characteristics are not relevant to and will not be used when determining pay. Humentum commits to conducting periodic analyses to validate that personal characteristics do not influence salary levels within Humentum.
- **Transparent:** We will,
 - Make the grade and step structure available to employees as well as the criteria used to assign pay steps within grades. We will clearly designate the grade of each position within the organization and inform employees of their grade, step, and salary. All posted job openings will include the grade of the job in the announcement. Individual salaries will not be publicly disclosed and will be treated as personal confidential information.

- **Externally Competitive:** We will,
 - Set salaries using Birches reports or another comparably recognized leader in the not-for-profit sector for salary benchmarking.
 - Align Humentum positions to the appropriate salary band built around the 50th percentile of the corresponding market level salary range.
 - Use one global scale aligned to the UK market for all non-US based employees (the UK market being found to be closely comparable to markets in other parts of the world, apart the US).

- **Recognition:** We will,
 - Reward hard work and initiative through Humentum’s Bonus Scheme (i.e., not through one-off promotions or bonuses done on an individual basis)

3. Scope

This policy applies to all employees of Humentum; employees are defined as those with a contract of employment issued directly by Humentum, as well employees at-will. The compensation policy for volunteers, interns, vendors, suppliers, trustees, and consultants/associates is addressed separately through the finance and procurement policies.

This policy document shall not be construed to create a contractual obligation or contractual relationship between Humentum and its personnel.

4. Definitions and Terms

Job evaluation criteria: Humentum considers three factors when evaluating a position to determine its appropriate grade, and two further factors to determine the actual salary paid within the salary band of the grade. See section 5 for further details.

Grade: Grading of each position within the organization will be determined through the job evaluation process based on purpose, engagement, and delivery. Grades differ according to knowledge requirements, supervisory controls, complexity, scope, and effect. All Humentum positions will be assigned to one of seven grades from A-G.

Salary Bands: For each grade, a salary band is built around the 50th percentile of the corresponding market level salary range. Each band will have some overlap with the previous and next grades. Salary bands are assessed and adjusted based on market benchmarking data every three years to ensure equity. In between benchmarking, salary bands will be adjusted, where affordable, by the Consumer Price Index (CPI) and the GBP/USD rate to keep pace with the market.

Step: Each salary band is subdivided into 10 salary levels, known as steps. The step (1-10) for each position will be assigned based on the experience and qualifications of the individual when they join Humentum or take up a new role. Staff will move through steps as detailed in section 7 below.

5. Evaluating a position for grade

A job's grade is evaluated based on the job description. The following factors are considered:

- 1. Purpose:** measures the substantive focus of the job encompassing the scope, depth, and difficulty of the work. There are seven levels within Purpose; see Appendix 1.
- 2. Engagement:** measures the focus of interaction both internally and externally needed to deliver a service, seek collaboration, and build effective relationships. There are seven levels within Engagement; see Appendix 1.
- 3. Delivery:** measures the focus on the execution of the work and the role on the team for supporting business/operational functions. There are seven levels within Delivery; see Appendix 1.

When points are assigned, the following are observed:

- A position factor must fully meet the overall intent of the selected factor level description to warrant a given point value. (No half points awarded.)
- Point values assigned to factors in a position description relate to only one set of duties and responsibilities. Usually these will be duties and responsibilities that take most of the employee's time and have obvious weight and influence for point rating purposes.

To evaluate a position:

- 5.1.** Line Manager prepares the **job description** in the Humentum job description template
- 5.2.** The People & Culture Manager (PCM) determines the **grade** by assigning the corresponding number of points to each of the three factors.
 - Purpose, Engagement and Delivery are assigned points 1-7 to correspond with the levels of the grid. The mean average point value of the three scores will determine the **grade**.
- 5.3.** PCM documents, dates, and records the grade decision; this will then be reviewed by the Global Director, Finance & Operations (GDFO). This record may be shared as appropriate in case of dispute.

6. Determining the salary step within the grade

The salary step within the grade is based on the experience and qualifications of the individual appointed to the role.

1. **Experience:** measures the amount of relevant or direct experience that the individual brings to the position. This may be experience at a prior organization or gained in a prior role (or roles) within the current organization. There are three levels within 'experience' that are used with 'qualifications' to set someone at the appropriate salary step within a grade.
 1. No formal experience (informal or education experience only)
 2. Meets most of the essential experience requirements for the role, but with room for growth in less than one year in role
 3. Fully meets the essential formal experience for role

2. **Qualifications:** measure the amount of relevant or direct expertise, knowledge, and skills that the individual brings to the position. This may be expertise or skills acquired through training, on-the-job learning, certificate, or study programs. Qualifications may be brought into a position as a recruit or gained during tenure as part of professional development or increased/expanded responsibilities. There are two levels within 'qualifications' that are used with 'experience' to set individuals at the appropriate step within a grade.
 1. Meets most of the essential qualifications for the role, but with room for growth in less than one year in role
 2. Fully meets the essential formal qualifications for role

Experience and qualifications are assigned points 0-2 and 1-2 respectively.

Incoming new staff member joining Humentum: The average point value of the two scores will determine the **Step**, either 1 or 2. To determine the appropriate step:

- PCM with the Line Manager holds interview with questions designed to assess the level of experience, skills, and qualification with candidates.
- PCM and Line Manager score both experience and qualification on the scale against the job description.
- The PCM documents, dates, and records the step decision; this will then be reviewed by the GDFO. This record may be shared as appropriate in case of dispute.
- The offer is made, and salary negotiated, within the pre-determined step window.

Existing staff member moving into new role in same grade: will be placed at next step within the grade

Existing staff member moving into new role in higher grade: will be placed in the new grade at the first step corresponding to a salary increase over previous grade/step

In exceptional circumstances, for a role critical to the organization, it may be determined that the set salary for recruitment is higher than step 2. This decision will be made by the CEO, in consultation with the GDFO prior to the role being advertised.

7. Salary Progression

Humentum is committed to providing transparency and predictability in relation to salary progression within the organization. Salary progression occurs through the following mechanisms:

1. Step progression will be annual (if no change in role): a staff member will move to the next step each year. This step advancement will be effective on the first day of the next fiscal year.
2. Lateral (same grade) permanent job changes within Humentum: increase one step within grade
3. Promotion (higher grade) permanent job change within Humentum: placement in the new grade at the first step corresponding to a salary increase over previous grade/step

Staff members who join the organization or are promoted after 30 June will not receive a step increase in the following October. Rather, step increases will start in the next fiscal year (for a maximum of 15 months without a step increase).

When staff reach step 10, no further salary advancement will be made unless promoted to a new role in a higher grade.

8. Internal temporary or stretch assignments

Humentum strives to provide learning and development opportunities for staff members including the possibility to move into time-limited stretch assignments or temporary (interim) roles as they become available.

Humentum will ensure that a staff member assuming a stretch assignment or temporary (interim) role is correctly compensated for the work they are undertaking, for any such role lasting more than four weeks. The salary amount for the stretch or temporary assignment will apply only for the duration of the assignment and will not be less than the amount they are paid in their permanent position. For the period of temporary assignments, the staff will receive a step increase.

9. Location changes

Employees can work from another location, including outside their home country, provided their ability to complete their role is not hindered and there is no impact on the organization. The relocation needs to be agreed with their line manager, and if exceeds four weeks or longer, this needs to be shared with HR for duty of care purposes and in case of any taxation implications.

For short term relocation, periods up to 6 months, the current salary and benefits will remain the same, with the employee taking on responsibility for any additional taxes should they arise. For longer term relocation, the salary and benefits will be as per the new location.

In all cases, the employee must ensure they have a right to work in the new country before any relocation is considered.

10. Salary Review

Humentum adheres to the following policy, related to modifications to employee compensation:

10.1. Equity review

Staff salaries will be benchmarked in accordance with updated geographically appropriate market data, considering both internal equity and external competitiveness to the market, every three years. Each equity review period will serve as an opportunity for Humentum to align with external market factors (size, budget, and geographies) to ensure that the organization is competitive in its ability to attract and retain quality talent at all levels. The equity review will include a review of all job descriptions to identify any necessary modifications to be made; all job descriptions will be benchmarked against the external market and aligned with other similarly situated positions within the organization. Employees may request an individual equity review at any time if they feel they are not being compensated according to policy.

10.2. Annual inflation adjustments

In years between benchmarking exercises, Humentum will adjust salary scales according to national inflation (CPI) of the previous year, where financially able as per section 11. The UK CPI will be applied to UK and global salary bands; the US CPI will be applied to US salary bands. Exchange rate adjustment between the GBP/USD will also be considered each year, until such time as the global scale is benchmarked in USD. All staff contracts will be set in currencies as described in Appendix 2. Step increases will be prioritized over CPI adjustments.

11. Additional Information

Humentum has designed and will administer Total Rewards in a financially sustainable manner to ensure the good stewardship of our resources and financial stability. Many benefits included in the Total Rewards policy are privileges conferred on staff that can be curtailed or cancelled if Humentum experiences financial constraints that make delivery on these benefits untenable. As with all budget decisions, adjustments for inflation and funds for other employee benefits are subject to annual appropriation.

Appendix 1.

Seven levels and three factors used for Grades

Level	Purpose	Engagement	Delivery
	This factor measures the substantive focus of the job encompassing the scope, depth and difficulty of the work.	This factor measures the focus of interaction both internally and externally needed to deliver a service, seek collaboration and build effective relationships.	This factor measures the focus on the execution of work and the role on the team for supporting business/operational functions.
7	Lead	Inspire	Vision
6	Advance	Position	Corporate Planning
5	Integrate / Transform /Innovate/ Adapt	Empower / Compel /Advocate	Define Programme Cycle and/or Business Line Cycle
4	Analyze /Apply Basic Concepts / Manage Integrated Process	Collaborate / Acquire / Align	Manage & understand the Project or Business Cycle / Sustain Service
3	Ensure Process Integrity / Execute Intricate Transactions	Advise & Inform	Prioritize & Select / Sustain Standards
2	Process Basic Transactions/Provide General Support	Exchange	Basic Information Organization
1	Provide Physical/Mechanical Support	Aware	Consistent Repetition

Appendix 2.

Currency of salary payment for countries of employment in Humentum

Country	Currency of Contract	Currency of Payment
El Salvador	USD	USD
France	EUR	EUR
Ghana	GHS	GHS
Guatemala	USD	USD
India	INR	INR
Kenya	USD	USD
Mexico	MXN	MXN
Morocco	MAD	MAD
Nigeria	USD	USD
Portugal	EUR	EUR
South Africa	ZAR	ZAR
Spain	EUR	EUR
Uganda	USD	USD
United Kingdom	GBP	GBP
United States	USD	USD

Appendix 3.

US-based employee scale (USD)

USD	Steps									
Grade	1	2	3	4	5	6	7	8	9	10
A	220,916	229,746	238,576	247,406	256,236	265,066	273,896	282,726	291,556	300,386
B	168,121	175,574	183,027	190,481	197,934	205,387	212,840	220,294	227,747	235,200
C	113,516	119,216	124,917	130,617	136,317	142,018	147,718	153,418	159,119	164,819
D	69,036	72,950	76,864	80,778	84,692	88,606	92,520	96,434	100,348	104,262
E	59,236	62,082	64,928	67,774	70,620	73,467	76,313	79,159	82,005	84,851
F	38,878	40,589	42,300	44,011	45,722	47,432	49,143	50,854	52,565	54,276
G	33,488	33,488	33,488	33,488	33,488	34,783	35,861	36,940	38,019	39,098

Global Scale for all non-US based (GBP)

GBP	Steps									
Grade	1	2	3	4	5	6	7	8	9	10
A	136,269	140,191	144,113	148,036	151,958	155,880	159,802	163,725	167,647	171,569
B	97,145	102,485	107,826	113,166	118,507	123,847	129,188	134,528	139,869	145,209
C	67,683	70,343	73,003	75,663	78,323	80,983	83,643	86,303	88,963	91,622
D	40,424	42,048	43,673	45,297	46,921	48,546	50,170	51,794	53,419	55,043
E	34,000	35,416	36,832	38,248	39,664	41,079	42,495	43,911	45,327	46,743
F	25,222	25,663	26,103	26,544	26,985	27,425	27,866	28,307	28,747	29,188
G	21,548	21,548	21,548	21,548	21,548	21,548	21,548	21,548	21,548	21,548

Global Scale for all non-US based (USD)

USD	Steps									
Grade	1	2	3	4	5	6	7	8	9	10
A	158,085	162,635	167,185	171,735	176,285	180,835	185,386	189,936	194,486	199,036
B	112,697	118,893	125,088	131,283	137,479	143,674	149,870	156,065	162,261	168,456
C	78,519	81,604	84,690	87,776	90,862	93,947	97,033	100,119	103,205	106,291
D	46,896	48,780	50,664	52,549	54,433	56,317	58,202	60,086	61,971	63,855
E	39,443	41,086	42,728	44,371	46,013	47,656	49,299	50,941	52,584	54,226
F	29,260	29,771	30,282	30,794	31,305	31,816	32,327	32,838	33,350	33,861
G	24,997	24,997	24,997	24,997	24,997	24,997	24,997	24,997	24,997	24,997