INSTITUTE FOR ECONOMIC JUSTICE
RESEARCH
POLICY
ADVOCACY

# REMUNERATION POLICY 2024

## Foreword

This Remuneration Policy is the culmination of over a year's worth of research, consultations, and deliberations. It is the product of a highly transparent and engaged process with all Institute for Economic Justice (IEJ) staff, external service providers, partners, and the IEJ Board.

One of the reasons this Policy took so many hours to formulate and agree, is that setting salaries in the social justice sector, in a country with huge inequalities, against the backdrop of a political and economic system that deliberately disadvantaged particular groups, is incredibly complex. The IEJ team grappled with how our values of justice, fairness, and equity mean both compensating fairly, especially in light of historic disadvantages, while trying to avoid reinforcing compensation norms that unduly favour top earners.

To add to this complexity, the IEJ straddles sectors with vastly different salary norms. On the one hand, the IEJ is staffed by activist researchers who are connected with social movements and labour unions. On the other, the IEJ competes for highly-educated staff against government departments, universities, and other professionalised research organisations and private-sector consultancies. This makes the technical exercise of benchmarking complicated, while throwing up deeper questions about who we are serving and who we should be comparing ourselves against.

For all of these reasons we started the process by defining what values and principles should guide the Policy. Only after that, did we proceed to the more technical components of benchmarking, job grading, and salary setting. The end result, summarising the complexity that appears in this document, are salary scales that compare fairly against our more professionalised peers but are capped at the upper end to avoid excessively high salaries for top senior management. This means IEJ salaries likely significantly exceed those of some comrades we work with in movement environments, while likely being too low to attract some away from higher-paying government or private-sector jobs. We hope to have found fair and viable salary levels congruent with our values.

We wanted our process followed and this Policy, including the salary ranges contained, to be public. Prospective applicants for IEJ jobs should know what they may earn before applying. Current staff should understand how their own salary package fits within the organisation. And we hope our peers will offer us useful feedback from which we can learn.

I am proud that this Policy represents a sincere and inclusive attempt to grapple with a highly-charged issue in a transparent and values-driven way. The IEJ team is stronger as a result of this process.

Sincerely,

Gilad Isaacs
IEJ Executive Director

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## 1. Preamble

This Policy forms one part of the broader organisational development work captured under Objective Five of our 2023-2027 Strategy. It was undertaken and completed during 2023.

The process we undertook included:

Step 1: Workshop with staff to assess existing remuneration practices and develop principles to guide a new policy.
Step 2: On-going collective drafting of the principles.
Step 3: Professionalised 'grading' of all roles within the IEJ.
Step 4: Detailed benchmarking against sector norms.
Step 5: Development of policy within the Leadership Team.
Step 6: Workshopping of this policy with staff and Board.
Step 7: Board review, policy revisions and finalisation.

To assist with Steps 3 and 4, the IEJ hired Rob Oakley Reward Consulting who prepared a detailed report.

We are grateful for the support of the Robert Bosch Stiftung, who supported this through an organisational development grant. We are proud to have engaged in a consultative and transparent process that gives expression to the values of the IEJ. We hope to receive feedback, to learn, and to continue to strengthen the IEJ as a vehicle for systemic change.

## 2. Review of previous practice

To date, the IEJ has not had a thorough and formal remuneration policy. Salaries were initially set according to a 'general sense' of the sector norms. Pay at the upper end, particularly for the Directors, was deliberately below market norms, while junior researcher pay was considered fairly generous. The pay gap was small. In the staff workshop, the team identified:

- Strengths: pay on time; open salary scales; clear communication; openness of leadership; provision of medical aid retirement funds; no bonuses related to performance; and above inflationary increase.
- Weaknesses: internships potentially not liveable salaries; workload may exceed compensation; lack of benefit structure; lack of public transparency; potential compensation below the market rate; and lack of clarity on policy and approach.
- This was seen to be shaped by: being a young organisation; lack of stated policy; donor reliance; required skill sets being rare; and the IEJ falling between sectors (NGO, academic, and state).

## 3. Remuneration principles

1. **Value-based compensation:** The IEJ's remuneration policy must align with the organisation's values and mission.
2. **Fairness and equity:** The IEJ's remuneration policy must be fair and equitable for all employees regardless of their gender, race, religion, or any other personal characteristic.
3. **Transparency:** The IEJ will ensure that its remuneration policy is transparent, communicated to all employees, and available to the public. This includes providing clear guidelines for how salaries are determined and how performance evaluations are conducted. This will include disclosure of salary bands but not individual employees' salaries.
4. **Diversity, equity and inclusion:** The IEJ's remuneration policy must promote diversity, equity, and inclusion within the organisation, ensuring the attainment of a staff complement that gives expression to those values.
5. **Addressing historic inequities:** The IEJ's remuneration policy must take proactive measures to address historic inequities and injustices along race and gender lines, including considering the broader financial obligations of historically disadvantaged persons within their extended family networks.
6. **Competitiveness:** The IEJ must achieve and maintain competitive salary bands inline with comparator organisations. This must be done in a manner that balances market competitiveness and pay equity, pays fair wages and attracts and retains skilled employees, including those from historically disadvantaged groups.
7. **Reducing pay inequality:** The IEJ's remuneration policy should include measures to limit pay gaps across salary bands, such as, maintaining a reasonable and transparent pay ratio between senior and junior staff.
8. **Periodic review:** The IEJ's remuneration policy should be periodically reviewed to ensure that it remains fair and appropriate. This should include benchmarking salary bands against relevant peer organisations.
9. **Employee involvement:** The IEJ's remuneration policy should be developed and updated with the participation of the IEJ's staff.

All of the policies that follow give expression to these principles.

## 4. Key components of the policy

The policy is composed of several practices that give expression to these principles.

**Applicability:** The policy applies to all staff, irrespective of the type of employment contract. The policy does not apply to short-term contractors.

**Grading:** The IEJ will grade each position within the organisation using the Paterson grading system.[1] These grades will be made public. This allows us to evaluate the complexity associated with each role and benchmark accordingly.

**Bands:** The IEJ will adopt a structure of wage bands. Each position in the organisation will be associated with a particular wage band. The salaries of all staff members (barring exceptions approved by the Board) will fall within these bands.

**Position within bands:** Each staff member will be placed within the band based on qualifications, years of experience, skills and competencies exhibited, years of service at IEJ, extent of learning required, and performance. These criteria have been made into a scoring matrix that will be applied by the Executive Director with input from appropriate line managers. Performance is based on established performance review processes.

**Wage ratio:** The highest paid full-time staff member will earn no more than five times the remuneration of the lowest paid full-time staff member. This excludes interns which is viewed as a training opportunity. This will be periodically reviewed in light of relevant principles and shifting context.

**Interns:** Interns join as part of a training programme, this is taken into account when setting the salary level.

**Length of contract:** Contracts - exempting Interns and Junior Researchers in their first year - will be a minimum of three years. Interns and Junior Researchers are sometimes explicitly brought into the organisation for training purposes and so a three year contract is not mandatory.

**Package:** The IEJ package will be calculated on a total-cost-to-company basis.[2] It will then be divided into a base salary, a 7.5% organisational contribution to a retirement fund, and a stipulated organisational contribution to medical aid, to the value of approximately 50% of an average medical aid package. Where these benefits are not utilised the equivalent will be allocated to the base salary.

**Annual cost-of-living increase:** Funding permitting, staff will receive a minimum cost-of-living increase of headline inflation (as per the CPI) in January. For staff employed from October onwards, the forthcoming cost-of-living increase can either be included in their starting salary or applied in January of the next year.

[1] The Patterson Job Grading system is an international-recognised approach. The system takes into account a range of factors – such as, decision making; coordination/supervision; continuum of skills/sapiential authority; complexity; variety; preciseness; and work pressure/physical effort – and assign a rank to that job (“C1” or “D2”). The system has grades A - F, and subgrades 1 - 5 within those.

[2] The total-cost-to-company approach includes the basic salary component (including tax) plus the value of any guaranteed bonus or 13th cheque as well as all other guaranteed cash and non-cash fringe benefits and allowances (such as pension fund or medical aid contributions).

**Addressing historic inequities:** The IEJ considers criteria of equity and justice in all hiring decisions, this is captured in a separate policy. Funding within the organisation for staff development - towards advancement along the salary scale - will be weighted taking account of IEJ's equity and justice principles and mandate to address historic inequities.

**Bonuses:** The IEJ will not give performance-based bonuses, judging them to be excessively discretionary. If funding allows, bonuses may be given on an ad hoc basis to all employees.

**Transparency**: The salary bands will be available to the staff and public and will appear in all job advertisements.

## 5. Bands

As noted, the IEJ engaged in a detailed grading and benchmarking exercise to determine new salary bands. These bands are given in Table 1, and compared to the existing de facto range.

Table 1: Targeted salary bands for all IEJ positions as of 2023

| JOB TITLE | GRADE | 2023 De facto range | 2023 Proposed range | 2024 inflation-adjusted range |
|---|---|---|---|---|
| **Programme** | | | | |
| Intern | C1 | R 166 314 | R200 000 | R211 600 |
| Junior Programme Officer | C3 | R350 000 - R400 000 | R380 000 - R500 000 | R402 040 - R529 000 |
| Junior Researcher | C3 | R350 000 - R400 000 | R380 000 - R500 000 | R402 040 - R529 000 |
| Programme Officer | D2 | R500 000 - R600 000 | R600 000 - R750 000 (R800 000)* | R634 800 - R793 500 (R846 400)* |
| Researcher | D2 | R500 000 - R600 000 | R600 000 - R750 000 (R800 000)* | R634 800 - R793 500 (R846 400)* |
| Senior Programme Officer | D4 | R850 000 - R850 000 | R800 000 - R1 000 000 (R1 100 000)** | R846 400 - R1 058 000 (R1 163 800)** |
| Senior Researcher | D4 | R 850 000 - R850 000 | R800 000 - R1 000 000 | R846 400 - R1 058 000 |

| | | | | |
|---|---|---|---|---|
| | | | (R1 100 000)** | (R1 163 800)** |
| **Finance and Operations** | | | | |
| Financial Administrator | C1 | | R320 000 - R420 000 | R338 560 - R444 360 |
| Project Administrator | C2 | R380 000 - R440 00 | R320 000 - R440 000 | R338 560 - R465 520 |
| Office & HR Manager | C3 | R650 000 - R750 000 | R450 000 – R600 000 | R476 100 - R634 800 |
| **Strategy, Media, and Development** | | | | |
| Communications Officer | C3 | | R325 000 - R400 000 | R343 850 - R423 200 |
| Advocacy & Communications Manager | D3 | R700 000 - R800 000 | R700 000 - R900 000 | R740 600 - R952 200 |
| Fundraising Officer | C4 | | R500 000 - R625 000 | R529 000 - R661 250 |
| Fundraising Manager | D1 | | R700 000 - R800 000 | R740 600 - R846 400 |
| **Executive Leadership** | | | | |
| Finance & Operations Director | E1 | R1 100 000 - R1 200 000 | R1 100 000 - R1 375 000 | R1 163 800 - R1 454 750 |
| Programme Co-Director | E2 | R1 100 000 - R1 200 000 | R1 100 000 - R1 375 000 | R1 163 800 - R1 454 750 |
| Senior Policy Specialist | E2 | R1 100 000 - R1 200 000 | R1 100 000 - R1 375 000 | R1 163 800 - R1 454 750 |
| Executive Director | F3 | R1 200 000 - R1 300 000 | R1 400 000 - R1 650 000 | R1 481 200 - R1 745 700 |

* The Researcher and Programme Officer range will generally be R600 000 - R750 000. However, in instances where the Researcher / Programme Officer does not yet qualify as a Senior Researcher / Senior Programme Officer but has particular responsibilities (particularly management responsibilities) beyond those normally associated with the Researcher / Programme Officer, a R50 000 premium will be applied.

** We recognise that in the current organogram, while there is natural progression from Intern to Senior Researcher, this path stops at Senior Researcher as most staff won't go into the small number of management posts, and there is a big gap between Senior Researcher and Specialists / Senior Specialists. We are exploring ways to allow for a step up within, or outside of, the Senior Researcher role.

## 6. Process of implementation

The ability to transition from the current de facto bands to the targeted bands is dependent on a range of factors, including securing adequate funding. The following process will be followed:

- A target package shall be set for each staff member upon approval of this policy.
    - For general staff this shall be set by the Leadership Team, for Leadership Team members by the Executive Director, and for the Executive Director by the HR Subcommittee of the Board and ratified by the full Board.
    - Performance reviews - past or forthcoming - will, where appropriate, feed into this.
    - The target package for new staff will be revised at the conclusion of their first year to take account of performance.
- The 2024 budget will be reviewed to assess funds available for salary adjustments to achieve targeted packages.
- In January 2024, salaries shall be adjusted by CPI (~6%) and 30% of the gap between current and target packages will be closed, if such a gap is present.
- If the 2024 budget, as assessed in January 2024, allows for a larger share of the gap to be closed this shall be done.
- The balance of the gap, where present, between prevailing and (inflation adjusted) target salaries shall be closed by the start of 2026.
- Other aspects of the policy will come into effect immediately.

## 7. Reviews

For the first three years of the policy (2024 - 2026) the target package mentioned above will be applicable to that particular member of staff.

From then on, reviews will take place every three years, this will include:

- Assessing existing salary bands against benchmarks.
- Reassessing - based on the stipulated criteria and procedure - where each staff member should be placed within the salary band.

New staff members will be positioned within the band at the commencement of their employment. This placement will be revisited at the end of the first year to take account of performance.

## 8. Funding constraints

If any aspect of the policy is not possible to implement due to funding constraints, the Executive Director, with the support of the Leadership Team, will, in a timeous manner, present the funding situation to the staff. This shall illustrate the nature, scope, and cause of the funding shortfall and be accompanied by an appropriate strategy to garner sufficient funds to bring the implementation of this policy back on track as soon as is feasible.

## 9. Skills fund

As identified above, addressing historical inequalities is identified as an institutional priority. This will be done through a range of measures, including hiring. As part of this policy, the IEJ will also set up a “skills development fund,” the funding for which will be designed to give effect to addressing historic inequalities and thereby facilitating the advancement of such staff within and between the salary levels and bands.

## Appendix 1: Benchmarking

Benchmarking remuneration packages against other similar employment is complicated on a number of levels.

First, the data available is not comprehensive, nor do organisations within the available surveys match exactly with IEJ, either in terms of the nature of the organisation, or its size, length of operations, and other factors.

Second, IEJ itself falls between sectors. While IEJ is part of civil society, registered as an NPO, and works with activist organisations and trade unions, it is also a member of the research community, working alongside universities and research units. The IEJ also engages substantially with the state on a policy level. This means that IEJ could compare itself to relatively more modest salaries in smaller civil society and activist organisations, to more substantial salaries at universities, or higher salaries in the state and private sector consultancies. The IEJ attracts staff who are committed activists, but also highly qualified staff who could gain work in any of these sectors.

Third, sector-appropriate benchmarking is only one factor that the IEJ considers when setting salary bands. As noted in the principles above, questions of wage gaps and equity and transformation, for example, are other critical factors.

The IEJ undertook a two-step benchmarking process, first completing a rough internal assessment and then hiring Rob Oakley Reward Consulting, a specialist in the field, to undertake an assessment. The process:

1. Assessed each position within the organisation and graded it according to the commonly-used Paterson scale.
2. Utilised the Averile Ryder Global Rewards Specialist (ARGRS) Nonprofit Organisations Survey 2022 survey (adjusted to 2023 pay levels) to undertake a market comparison with “typical NGOs” in the sector, as well as providing a comparison with the university sector.
3. Compared the existing packages against these benchmarks.
4. Produced comprehensive narrative and financial reports of the above.

The IEJ bands adopted do not necessarily correspond directly with any one benchmark given the range of factors considered.

## Appendix 2: Minimum requirements

The table below gives the *minimum entry-level* qualifications needed for each role. Suitable experience can be substituted for qualifications in particular circumstances.

| Job Title | Minimum Qualifying Experience |
|---|---|
| **Programme** | |
| Intern | 4-year degree |
| Junior Researcher / Programme Officer | 4-year degree |
| Researcher / Programme Officer | Masters |
| Senior Researcher / Senior Programme Officer | PhD |
| **Finance and Operations** | |
| Financial Administrator | 3-year degree or diploma |
| Project Administrator | 3-year degree |
| Office & HR Manager | 3-year degree and specific other |
| **Strategy, Media, and Development** | |
| Communications Officer | 3-year degree |
| Advocacy & Communications Manager | 4-year degree |
| Fundraising Officer | 3-year degree |
| Fundraising Manager | 4-year degree |
| **Executive Leadership** | |
| Finance & Operations Director | CA |
| Programme Co-Director | PhD |
| Senior Policy Specialist | Masters |
| Executive Director | PhD |

## Appendix 3: Benchmarking results for 2023

| | | ARGRS | | | University (UCT and WITS) | | |
|---|---|---|---|---|---|---|---|
| Job Title | PATERSON SUBGRADE | Minimum (25th Percentile if 50th Percentile is chosen as the DMP) | Midpoint (50th Percentile if 50th Percentile is chosen as the DMP) | Maximum (75th Percentile if 50th Percentile is chosen as the DMP) | Minimum (25th Percentile if 50th Percentile is chosen as the DMP) | Midpoint (50th Percentile if 50th Percentile is chosen as the DMP) | Maximum (75th Percentile if 50th Percentile is chosen as the DMP) |
| **Programme** | | | | | | | |
| Intern | C1 | R 220 724 | R 259 675 | R 298 627 | | | |
| Junior Researcher | C3 | R 381 193 | R 448 463 | R 515 732 | | | |
| Junior Programme Officer | C3 | R 381 193 | R 448 463 | R 515 732 | | | |
| Programme Officer | D2 | R 608 188 | R 715 515 | R 822 842 | | | |
| Researcher | D2 | R 608 188 | R 715 515 | R 822 842 | R 743 280 | R 814 388 | R 885 491 |
| Senior Programme Officer | D4 | R 754 963 | R 888 192 | R 1 021 421 | R 886 619 | R 980 519 | R 1 074 410 |
| Senior Researcher | D4 | R 754 963 | R 888 192 | R 1 021 421 | R 886 619 | R 980 519 | R 1 074 410 |
| **Finance and Operations** | | | | | | | |
| Financial Administrator | C1 | R 308 895 | R 363 406 | R 417 917 | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Office & HR Manager | C4 | R 436 281 | R 513 272 | R 590 263 | | | |
| Project Administrator | C3 | R 345 827 | R 406 856 | R 467 884 | | | |
| **Strategy, Media, and Development** | | | | | | | |
| Advocacy & Communications Manager | D3 | R 684 211 | R 804 954 | R 925 698 | | | |
| Communications Officer | C3 | R 325 891 | R 383 401 | R 440 911 | | | |
| Fundraising Manager | D1 | R 615 348 | R 723 939 | R 832 529 | | | |
| Fundraising Officer | C3 | R 506 416 | R 595 784 | R 685 151 | | | |
| **Executive Leadership** | | | | | | | |
| Executive Director | F3 | R 1 646 010 | R 1 936 482 | R 2 226 954 | R 1 248 807 | R 1 387 563 | R 1 526 320 |
| Finance & Operations Director | E1 | R 1 143 743 | R 1 345 580 | R 1 547 417 | R 982 193 | R 1 056 767 | R 1 131 341 |
| Programme Co-Director | E2 | R 1 076 147 | R 1 266 055 | R 1 455 964 | R 1 068 799 | R 1 184 263 | R 1 299 742 |
| Senior Policy Specialist | E2 | R 1 076 147 | R 1 266 055 | R 1 455 964 | R 1 068 799 | R 1 184 263 | R 1 299 742 |

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