**TERMS OF REFERENCE**

**Thematic Area**: Human Resources

**Project Title:** Compensation Survey, Karandaaz Pakistan

**Expected Start Date:** May, 2018

**End Date:** June, 2018

**Task Manager:** Human Resources, Karandaaz Pakistan

**About Karandaaz Pakistan**

KARANDAAZ PAKISTAN, a private company established in August 2014, promotes access to finance for small businesses through a commercially directed investment platform, and financial inclusion for individuals by employing technology enabled digital solutions. The company has financial and institutional support from leading international development finance institutions; principally the United Kingdom Department for International Development (DFID) and the Bill & Melinda Gates Foundation. The Consultative Group to Assist the Poor (CGAP), a member of the World Bank Group, provides technical support to Karandaaz Pakistan.

Karandaaz Pakistan has three core work streams:

1. **Corporate Investment and Credit (CIC)** focuses on providing credit and capital to high impact small and medium-size businesses, and business models that have potential to generate sustainable employment and offer attractive risk-adjusted financial returns.
2. **Digital Financial Services (DFS)** focuses on expanding the poor’s access to digital financial services in Pakistan by working across the ecosystem of local actors – policy-makers, regulators, government departments, businesses, researchers and academics. The DFS Unit facilitates digitization of government and other payment streams, encourages experimentation with businesses, and provides support to innovative DFS start-ups.
3. **Knowledge Management and Communications(KMC)** focuses developing and communicating credible data to inform the core themes of the Company, including DFS innovation, women’s empowerment and youth employment.
4. **Innovation Challenge Fund** manages the Innovation Challenge Fund (ICF) providing risk capital and grants to partners with an aim to generate innovative yet practicable solutions for solving complex problems in areas of financial inclusion and entrepreneurship. The fund is especially focused on addressing persisting barriers faced by SMEs, women and youth in accessing appropriate financial services and participating in the economy.

**About the Project**

In 2016, Karandaaz conducted a compensation survey for Karandaaz Pakistan in order to benchmark the salaries of all the staff against the competitors in the market. Karandaaz is seeking to hire a firm for a fresh benchmarking of its positions. The overall objective is to provide direction and support to the existing Karandaaz’ compensation structure so as to bring it at par with the industry standards. This activity is to carry out a total rewards survey of comparator organisations. In addition, the selected firm will be required to give Karandaaz a trends analysis on the increments and bonuses given by comparable organizations.

**Scope of Work**

Karandaaz is seeking to engage a specialized company to conduct a total rewards survey of appropriate comparator organizations. The organization should have fresh data available for the organizations in target sectors of Karandaaz Pakistan The selected company will be expected to provide salary ranges as well as a detail on the benefits offered in the market for all KRN teams for all the below levels. JDs of the staff will be shared with the finalized firm. General minimum experience and qualifications is given below and detail of existing staff can be viewed on Karandaaz website.

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| --- | --- | --- |
| **Grade** | **Years of Experience** | **Qualifications** |
| CEO | Minimum 15 years | Minimum Masters |
| Director | 10-15 | Minimum Masters |
| Senior Manager | 8-10 | Minimum Masters |
| Associate – Level 2 | 6-8 | Bachelor’s / Masters |
| Associate – Level 1 | 4-6 | Bachelor’s / Masters |
| Analyst – Level 2 | 2-4 | Bachelor’s / Masters |
| Analyst – Level 1 | 0-2 | Bachelor’s / Masters |
| Skilled Support Staff | 0-2 | Bachelor’s |

The salary survey methodology should include but not be limited to the following:

1. Review existing Karandaaz documentation that guides remuneration including personnel policies, job descriptions and terms of contract
2. Conduct a survey, targeting a suitable number of competitors/comparator organisations (these organisations must be pre-vetted by Karandaaz) from financial (commercial banks, investment banks/companies and microfinance intuitions), development (international donors/ non-profit companies) and telecom sectors to benchmark the salaries, allowances and entitlements/benefits offered at Karandaaz. The hired firm must match Karandaaz’ positions with those of competitor organisations as closely as possible to facilitate an accurate determination of salary levels for various positions and job groups.
3. Gather information regarding:

a) Salary information including benefits, working conditions, standard work week, cost of living increases/increments, etc.

b) Job data including the number of incumbents in the job classification, average salary of the incumbents, salary ranges for positions with specified minimum and maximum salaries, bonuses, overtime payments, reporting relationships, etc.

Recommend a salary scale and also suggest short term and long term incentive structure considering the work stream’s core deliverables. The recommendations on salary scales and incentive structure should be in accordance with the job description and overall expectations of the board from the team. In addition, following must also be kept in consideration when comparator positions are identified, a) Similarity of functions, and

b) Hierarchy within job family

**Evaluation Criteria:**

The evaluation criteria, relevant sub-criteria, and point system to be used to evaluate the Technical Proposals shall be:

**Technical proposal consisting of the following;**

1.      Experience: **(10 Marks)**

a.       At least 5 years of relevant experience

b.      At least 3 comparable salary/compensation surveys conducted

2.      At least 3 positive referrals **(10 Marks)**

3.      List of clients whose most recent data is available **(30 Marks)**

4.      Timeline: Work schedule and planning for deliverables **(10 Marks)**

5.      Methodology & Report: **(20 Marks)**

a.       Description of approach, methodology, and work plan in responding to the terms of reference;

b.      Sample report (i. Quality- content & analysis; ii. Format – presentation of data)

**Financial: (20 Marks)**

**Timeline**

Upon signing of contract with the selected firm, the organisation should be able to submit a list of comparators for approval from Karandaaz within 7 days of signing the contract.

After the companies have been selected and approved by Karandaaz, the final report should be submitted by the selected company within 3 weeks.

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| --- | --- |
| **Deliverables** | **% Payment**  |
|  |  |
| Submission of final report, including the suggested salary grades for Karandaaz Pakistan and acceptance of the deliverable by Karandaaz Pakistan | 100%  |
|   |  |

**Ownership/Control of Work and Product/Publication**

All materials produced or acquired during the appointment – written, graphic, digital, coding related, audio/video or otherwise - shall remain the property of Karandaaz Pakistan unless and to the extent such rights are explicitly relinquished (in whole or in part) by Karandaaz Pakistan, in writing.

Karandaaz Pakistan furthermore retains the exclusive right to publish or disseminate in all languages reports arising from such materials.

In the event of early termination of the appointment or non-renewal upon the contract’s expiration, the firm shall, deliver copies of all materials and data developed with Karandaaz Pakistan funds to the task manager at Karandaaz. Any material developed by the firm under these TORs may not be used without written prior approval by Karandaaz Pakistan.