



## CASE STUDY: WATERAID UK

### OVERVIEW OF THE ORGANISATION

WaterAid UK operates in 24 countries in four regions, and is part of a global federation employing 1000 staff worldwide. Two regions, South Asia and East Africa are supported from the London office along with regionally based specialists. The other two regions, South Africa and West Africa, are supported by regional offices in Pretoria, South Africa and Dakar, Senegal, respectively. WaterAid UK's vision and mission are focused on water, sanitation, and hygiene. While the organisation decides on the priorities and provides financial and other support, the projects in individual countries are predominately managed through local partner organisations.



### DESCRIPTION OF THE REWARD SYSTEM

Over the past several years WaterAid UK has made a shift towards the single salary system, under which all employees are paid in local currency, and receive local benefits. Each country's salary scale is constructed using local salary benchmarking data, while the data for some high-level grades is supplemented in part by international data in order to remain competitive in the international market. Both scales are designed to range between the 50th and 75th percentile of the market.

In addition to the single salary approach, the organisation has an active nationalisation policy, where it strives to hire local staff where possible, while recognising that some roles require skills that can only be found outside the country. Benefits differ from country to country, and are based on local survey data, local policies, and practices of other NGOs in the market. Employees who are relocated internationally fall under the international relocation policy and are provided additional allowances to ease their transition to the new country, but only for a set period of time or up to a fixed maximum. WaterAid has a cost neutrality policy in place to ensure that employees neither gain nor lose financially from working in a country other than their home country. For instance, they receive a one-off lump sum relocation allowance at the time of relocation, and the organisation covers half of child education fees, up to a maximum per year. WaterAid also has an economic turmoil policy in place, which protects salaries in times of high inflation/rapid deflation. This policy applies to all staff, and if it is triggered in a country programme all staff will receive the allowance.



## CHALLENGES OVERCOME IN THE CHANGE PROCESS

The main challenge the organisation faces is that of competitiveness with other INGOs offering more generous expatriate packages. While WaterAid has been successful in attracting talent, the pool of talent to draw on is reduced because many expatriate workers can attain a more substantial package with other employers.

An important challenge for WaterAid UK's reward system is the impact of exchange rates on salary scales for the high-level grades, which are created using a combination of local and international survey data. Since the international surveys are reported in EUR, USD or GBP (the typical pay currencies of international staff), the design of a salary scale created and paid out in local currency necessitates currency exchange calculations. This puts the organisation in a vulnerable position with regards to volatile currency changes. Furthermore, having different salary scales in different countries for high-level positions can be challenging in the context of recruitment and salary negotiations, as well as day-to-day HR practices, as staff could compare their salaries to those working in the same high-level roles in other countries. Finally, WaterAid sometimes find that job candidates are focused only on their base salary, ignoring the competitive benefits and allowances that WaterAid provides as part of a total reward package.

## PROS AND CONS OF THE SYSTEM

WaterAid UK's reward system allows the organisation to balance their values of equity and fairness with the need for attracting candidates with key skills, even when they are recruited from the international pool of candidates. Here, WaterAid UK also relies on its brand value to help attract employees.

## REASONS FOR MAKING THE CHANGE

WaterAid UK's intentions behind the change were driven by their values and the original founders' ethos to treat people equally. Furthermore, the organisation felt that having a dual salary system was detrimental to the organisational message of the importance of equality and equity and to the motivation of locally appointed staff. The redesigned reward system attempts to take these issues into consideration and to provide a competitive salary for people who believe in the values and the mission of WaterAid UK.

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### Websites

[www.wateraid.org.uk](http://www.wateraid.org.uk)  
[www.project-fair.org](http://www.project-fair.org)

### Email Contact

[ishbel.mcwha@ed.ac.uk](mailto:ishbel.mcwha@ed.ac.uk)