



Federation of International
Civil Servants' Associations

Report on the review of salary survey methodologies

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ICSC Working Group on the review of salary survey methodologies

The third meeting of the working group on the review of salary survey methodologies for staff in the General Service and other locally recruited categories was hosted by the International Maritime Organization in London from 3 to 7 February 2020.

ICSC Working Group on the review of salary survey methodologies

The following items were considered:

(a) The possibility of using external data:

(i) Analysis of data from the third vendor;

(ii) Reference check experience of using external data in category V duty stations;

(iii) Methodology and data parameters to be applied in a pilot application of external data implemented in parallel with conventional surveys in selected locations;

(b) Dual scales and transitional arrangements;

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(c) Items other than those relating to the use of external data:

- (i) Categorization of duty stations;
- (ii) Number of employers by category of duty stations;
- (iii) Minimum number of employers when external salary movement is used;
- (iv) Review of the questionnaire;

(d) Roles and responsibilities of survey stakeholders;

(e) Quantification of benefits:

- (i) Exploration of the possibility of establishing a lump sum or percentage of salary;
- (ii) Review of the approach for quantifying benefits (cost to employer versus market value and utilization rate with a threshold of 75 per cent).

Possibility of using external data

The group conducted simulations for 12 selected duty stations, aimed at comparing individual and combined vendor data sets with internal common system salary data.

The results of the simulations showed significant variance among the three vendors.

The methodologies of the individual vendors, albeit similar in principle, had certain differences in terms of data processing and aggregation.

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The methodologies of the individual vendors, albeit similar in principle, had certain differences in terms of data processing and aggregation.

Another important distinction was that vendor databases covered different sets of employers.

Possibility of using external data

In the current ICSC methodologies, the public sector must represent a minimum of 25 per cent of the employers retained.

Most of the employers who participated in the vendors' surveys came from the private sector.

Furthermore, the vendors' surveys included little or no coverage of the public sector.

Possibility of using external data

In order to be incorporated into the salary review process in line with the Flemming principle requirements, external data should be filtered, aggregated and possibly adjusted by the application of certain parameters, as well as potentially being blended with other data sources, before it could be compared with United Nations salaries.

Possibility of using external data

FICSA continued to remind the working group to consider allowing greater flexibility in the existing methodologies:

- The requirement for the number of employees for retained employers;
- Relaxing the private subsector representation thresholds;
Redefining the employer retention modality in methodology I;
- Reviewing the priority of interim adjustment mechanisms; and
- Expanding the use of grade matching.

Transitional arrangements

The working group discussed the possibility of using transitional measures to address concerns related to the use of dual scales resulting from negative salary surveys that had led to significant changes in salaries.

ICSC Secretariat proposed transitional arrangements for both positive and negative survey results. The arrangements were aimed at a more gradual implementation of the survey results where they were exceptionally high or low, as compared with certain thresholds that would need to be defined.

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The thresholds would be based on an indicator of market salary movement that could be used as a benchmark against the survey results.

Transitional arrangements

The working group rejected the proposal as it would be too complicated to explain to staff at large.

The working group recommended that the ICSC secretariat continue its work on the proposal, aiming for simplification.

Categorization of duty stations

Under the revised categorization the following duty stations would follow under Methodology I:

Vienna, Brussels, Montreal, Copenhagen, Paris, Bonn, Rome, Tokyo, The Hague, Madrid, Geneva, London, Washington DC, New York

Categorization of duty stations

(b) Other duty stations would be covered by methodology II and would be grouped as follows:

- (i) Primary category – for the majority of locations, where the retention of 10 employers would be required;
- (ii) Exceptional category – for locations where a survey of 10 employers was difficult or not feasible, which could be identified on the basis of the ease of doing business index of the World Bank or the hardship classification of ICSC;
- (iii) Duty stations where surveys would be replaced by a reference check; the threshold for the number of staff triggering the replacement of a survey with a reference check should include both the General Service and the National Professional Officer categories and should be reviewed.

Categorization of duty stations

The working group could not reach consensus on the issue but agreed that work on it should continue. A proposal was made to create a task force for that purpose, which would develop further proposals on the subject and report to the working group at its next meeting.

Reference check experience at category V duty stations

Category V, was established under the most recent review of the General Service salary survey methodologies and has been implemented since 1 January 2012.

The intention of establishing the category was to bring administrative ease, efficiency and practicality to the survey process, as the requirements of the regular comprehensive and interim salary survey processes were too elaborate for duty stations with limited resources and technical expertise, without prejudice to a fair and equitable application of the Flemming principle.

Therefore, duty stations with 30 or fewer staff members in the General Service category were placed under category V.

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Review of the questionnaire

The working group agreed to discuss the questionnaire later, once other items, including the possibility of using external data, had been thoroughly studied, and agreement on recommendations and on a clear way forward had been reached.

Quantification of benefits

FICSA proposed the use of the market value instead of the costs to the employer.

However, the majority of the members of the working group were cautioned that assuming the responsibility of setting a commercial value for benefits provided by employers implied exploring an infinite number of combinations, given the distinct elements to be considered in setting values for different benefits in different markets. That approach would result in undue administrative work during the data collection phase.

Quantification of benefits

With regard to the threshold for the utilization rate (75%) for the quantification of fringe benefits, the working group considered that a lump-sum approach would artificially inflate the overall compensation package of some employers who chose not to offer additional benefits on top of their base salaries.

Quantification of benefits

The quantification of fringe benefits based on the cost to the employer remained the most feasible approach, given the complexity of obtaining realistic market or retail value;

The 75 per cent utilization factor to quantify benefits reflected the current threshold applied to consider a benefit to be representative of the employer's compensation package.

Roles and responsibilities of survey stakeholders

FICSA reiterated that the role of the Local Salary Survey Committee (LSSC), in existence since these salary surveys began, as an indispensable and fundamental element to ensure the participatory nature of the exercise.

The working group acknowledged the relevant role of the local salary survey committees and recommended that the roles and responsibilities of the survey stakeholders be reviewed once the revised methodologies had been finalized.

Way forward

In the light of the working group's conclusions and recommendations, the following agenda items would need to be reviewed during the next meeting of the working group:

- (a) Pilot application of external data;
- (b) Categorization of duty stations;
- (c) Dual scales and transitional arrangements.



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