



LAST
MILE
HEALTH

LAST MILE HEALTH COMPENSATION MODEL

MARCH 2024

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OVERVIEW

BACKGROUND

At Last Mile Health (LMH) our vision is a health worker within reach of everyone, everywhere. We have long been an advocate for fairness in pay among community health workers, many of whom have historically been unpaid. This is particularly true for women. According to the [World Health Organization](#), “Women provide essential health and care services for around 5 billion people and contribute an estimated \$3 trillion annually to global health; half in the form of unpaid work.”

Given LMH’s commitment to pay equity among community health workers globally, we are now focusing on pay equity within our own workforce. In 2021—after years of exponential growth at LMH, after a global reawakening to systemic and structural inequities, and after corporate behavior came under well-deserved scrutiny—we chose to overhaul the way we compensate our employees.

OUR AIM

LMH does not and will not pay people differently on the basis of factors such as race, gender, or disability. But the elimination of pay discrimination alone is insufficient to achieving compensation equity. The transparency of our new model ensures that our employees and candidates have access to all information. Our staffing and compensation policies and practices help reduce bias and subjectivity. And our model can keep pace with our rapidly expanding geographic footprint, placing country program employees at the center of our efforts.

TWIN PILLARS OF EQUITY AND TRANSPARENCY

We are proud of the methodology, data sources, and analytical approaches we have used to develop our compensation model. But the greatest strength of our model rests on the twin pillars of equity and transparency. By deepening our commitment to equity and transparency, we are attempting to democratize resources and information across our organization.

COMPENSATION EQUITY AND TRANSPARENCY

What are the specific ways this model improves compensation equity and transparency?

- We have made this model fully transparent, so that everyone has access to all information.
- We have increased fringe benefits, especially for lower salary bands. Specifically, we have increased overall program country benefits and have made almost all of them flat rate rather than a percentage of salary.
- We have eliminated salary negotiations, which research shows can create pay inequities.
- We have introduced an independent, internal committee that will review promotions and compensation data to ensure fairness and transparency.
- We have met the [principles and standards](#) associated with Project Fair, an INGO collaborative that aims to help development organizations maximize their contributions to decent work, sustainable livelihood, and poverty eradication.

Why are we increasing transparency so much?

Most employers worldwide keep compensation practices secret. They use many reasons to justify this, but none withstand scrutiny if you are interested in advancing compensation equity. We have made our compensation model fully transparent for several important reasons:

- Transparency increases equity by ensuring that all employees have equal access to information about the compensation model.
- Transparency increases accountability to our employees, our donors, and the public. Employee

DEFINITIONS

PAY EQUITY AND PAY TRANSPARENCY

Pay equity: Paying our employees based on a clear and consistent methodology and without regard to identity or personal relationships. Pay is differentiated only on the basis of role definition, scope of responsibilities, and relevant employee experience. We also aim to distribute rewards so that employees can live with greater security within their local economies.

Pay transparency: Sharing with employees, job candidates, and the general public all content, methods, and data related to our compensation model. The only thing private about our compensation model is individual employee earnings.

Compensation equity and transparency: Not only pay equity and transparency but also equity and transparency in our compensation policies and practices.

pay and benefits are our largest expenditure and, as a philanthropically-funded and tax-exempt organization, we are duty-bound to be clear on how that money is spent.

- Transparency improves efficiency in recruitment. Candidates will no longer spend time applying for jobs that do not meet pay expectations. Hiring managers and People Operations will no longer interview candidates for whom our compensation is a barrier.
- Transparency will improve our sector's pay practices. Other organizations can adopt ideas and practices from our compensation model that will advance equity in their organization. Or they can adopt the entire model!
- Transparency will foster an increased sense of trust among our employees and reassure them that they are being compensated fairly.

WE HOPE THIS INFORMATION HELPS

- If you are an LMH employee, we hope this helps you understand why you are compensated as you are.
- If you are a job candidate seeking employment at LMH, we hope this gives you a sense of LMH's values and commitments to our employees.
- If you are a human resources professional, we hope you will take any ideas that you find valuable and use them in your own organization.
- If you are a leader in the social sector, we hope you will join us in advancing compensation equity and transparency everywhere people work.

PRINCIPLES AND CHOICES

ESSENTIAL PRINCIPLES

LMH's compensation model was developed based on four essential principles, including the core pillars of equity and transparency. These principles serve as design parameters and important lenses through which we compensate our employees.

- **Equity.** We believe that LMH's program country employees should receive particularly generous fringe benefits. We hold this view because these employees are closest to the implementation of our programming and are most impacted by economic instability, such as inflation and cyclical recessions.
- **Transparency.** We want LMH employees to clearly understand why they are paid what they are paid. We also want to openly communicate the rationale for pay increases, promotions, and other compensation-related decisions. In addition, we aim to support peer organizations seeking to engage with and learn from LMH on compensation practices by making our model open source.
- **Competitiveness.** We want LMH to be an attractive and competitive employer, and seek to remove pay and benefits as a barrier to joining us. We aim to pay above median in each of the INGO labor markets in LMH's countries of operation.
- **Methodological rigor.** We have used simple and robust analytical practices to design salary structures and progressions. Ultimately, we aim to develop a clear, straightforward process for setting and updating salaries and salary bands.



KEY CHOICES

Guided by the essential principles of equity, transparency, competitiveness, and methodological rigor, we made important choices in designing our model:

CHOICE 1

We developed salary scales largely based on country-specific costs of labor, rather than ignoring geographic differences in pay. Admittedly, it feels uncomfortable to differentiate pay by geography. A program manager based in Liberia will not earn as much as a program manager based in the United States, even if they are doing the same job. We made this choice because indexing pay to country-specific cost of labor ensures that we do not corrupt local talent markets. When LMH eventually departs our countries of operation, we want to ensure that we are leaving behind programming costs that can be sustained mainly by our government partners.

CHOICE 2

We developed salary scales based on the local INGO labor market, rather than the local public sector market. As a close partner of local governments, we are aware that indexing pay this way can introduce distortions in the labor market and potentially cause highly-qualified public sector employees to leave government roles. We chose to index pay to the local INGO market for two reasons. First, we have found that LMH largely competes for talent within the INGO sector, rather than within the public sector. Second, indexing to the public sector would have dramatically disrupted current employee pay, given that we have long indexed to the INGO market. To mitigate the risk of public sector “brain drain,” LMH will ensure that hiring of employees from the public sector is done only with agreement from our government partners.

CHOICE 3

We pay our senior leaders using the same set of salary bands, rather than differentiating pay by geography. LMH relies on and invests significantly in our most senior leadership, many of whom have moved fluidly between roles around our organization. Because of the high global demand for skilled leadership talent, costs of labor in the countries where we operate increasingly converge as roles become more senior. One set of bands for senior roles allows us to be both internally equitable across senior leadership and more attractive to local national leadership talent.

CHOICE 4

We expanded benefits to program country staff but not to other employees. We value the contributions of all LMH employees and hope our pay structure reflects that. Our definition of pay equity rests in part on a commitment to disproportionately distribute rewards to our program country staff, many of whom earn at the lower end of our salary bands. Expanded and more generous benefits for these employees help to increase their quality of life and protect against economic shocks that are prevalent in the countries where we operate, such as recessions, shortages of goods, and inflation. We also seek to better align to and expand the notion of standard benefits for program country employees.

CHOICE 5

We have limited—but not eliminated—international staff hires within country programs. Although only 5% of our global workforce are expatriates, we benefit greatly from the diversity of ideas and experiences brought by international employees, all of whom fill crucial technical and senior roles. At the same time, we are committed to greater localization of our work and seek to increase local representation in our leadership. Therefore, we have chosen to limit the number of international hires, while expanding the benefits package afforded to this important group of employees.

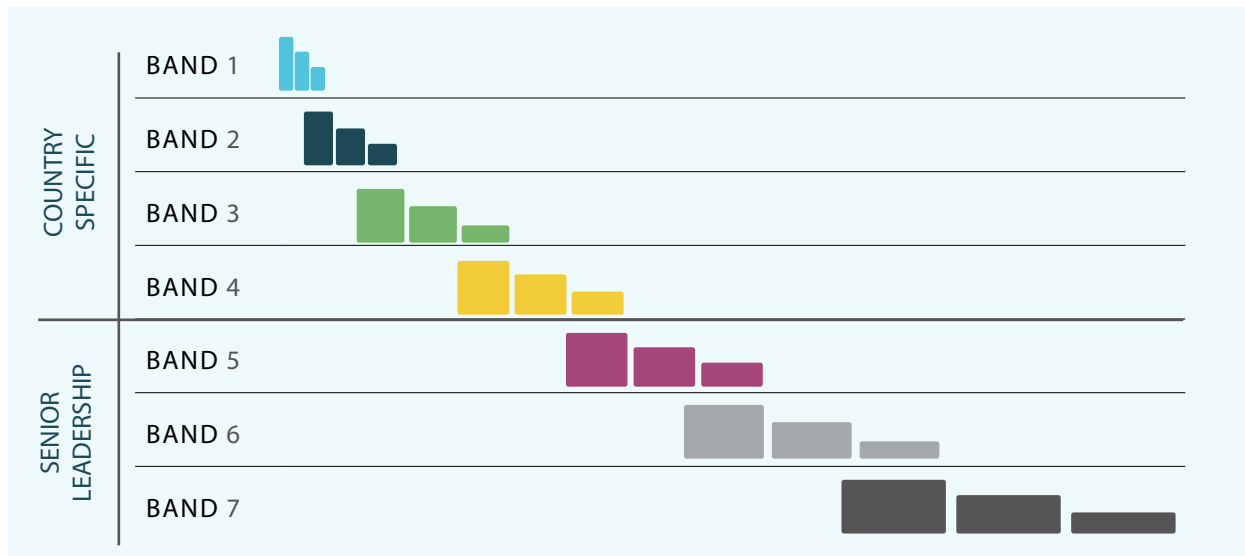
SALARIES

Our goal is to implement a replicable, logical methodology for setting salaries in which we:

- Implement salary bands across all countries where we operate, including one set of bands for senior leadership in all countries
- Follow established protocols to place new and existing staff within salary bands
- Train LMH hiring managers on hiring policies and salary range guidelines
- Assign clear roles to staff who are responsible for different aspects of the compensation-setting process

OUR STRUCTURE

Each country's salary scale is divided into seven bands, which each have three segments and eight ranges. The range for a given employee is determined by level of experience and level of technical expertise.



DEFINITIONS

SCALES AND BANDS

Scale: LMH has constructed salary scales for each of the countries where we operate. Although pay is differentiated by geography, the salary scales are designed using identical methodologies.

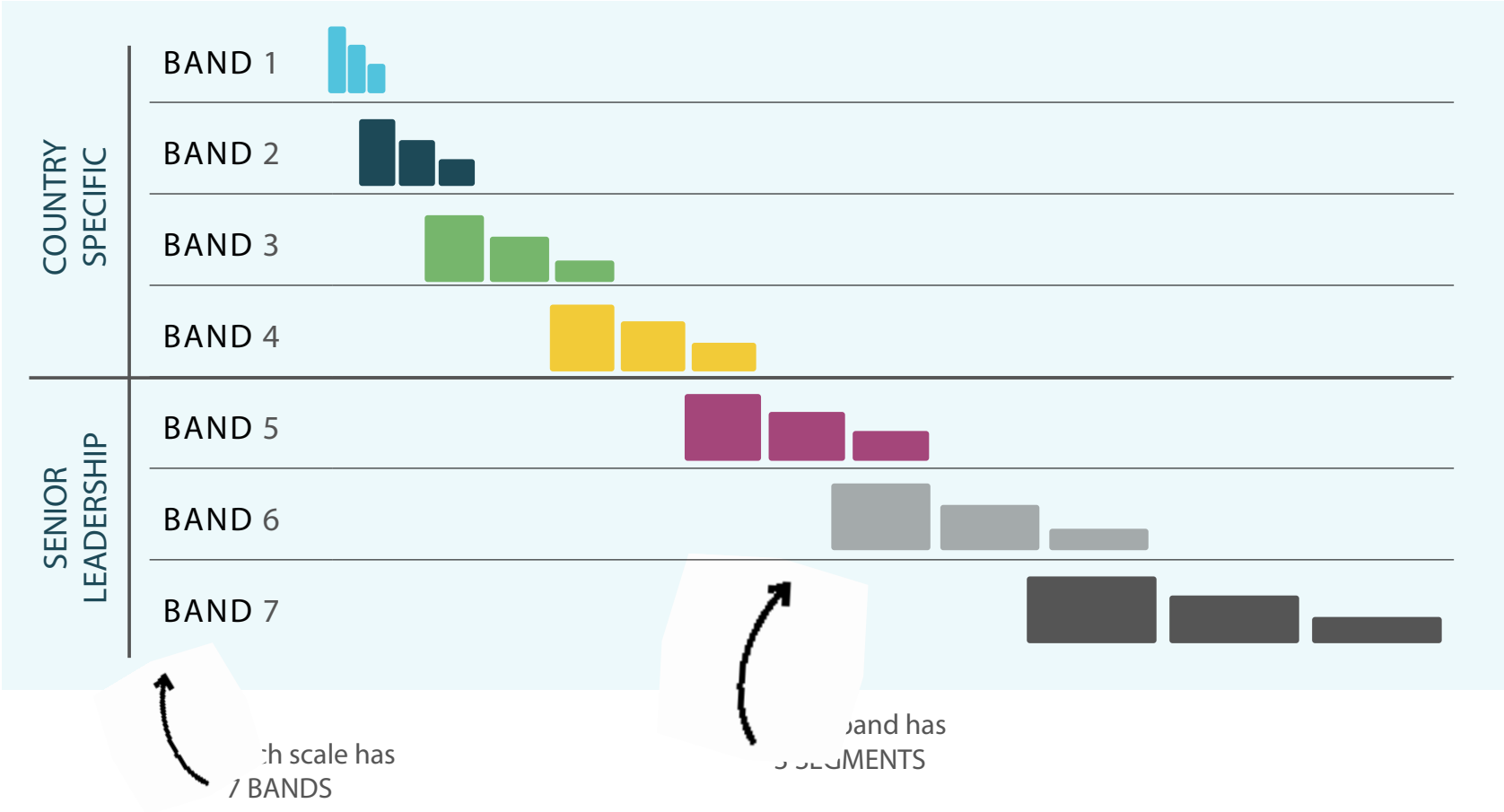
Band: Each salary scale contains seven bands.

- Bands 1-4 are unique to each country.
- Bands 5-7 are shared across the entire organization for senior leadership.

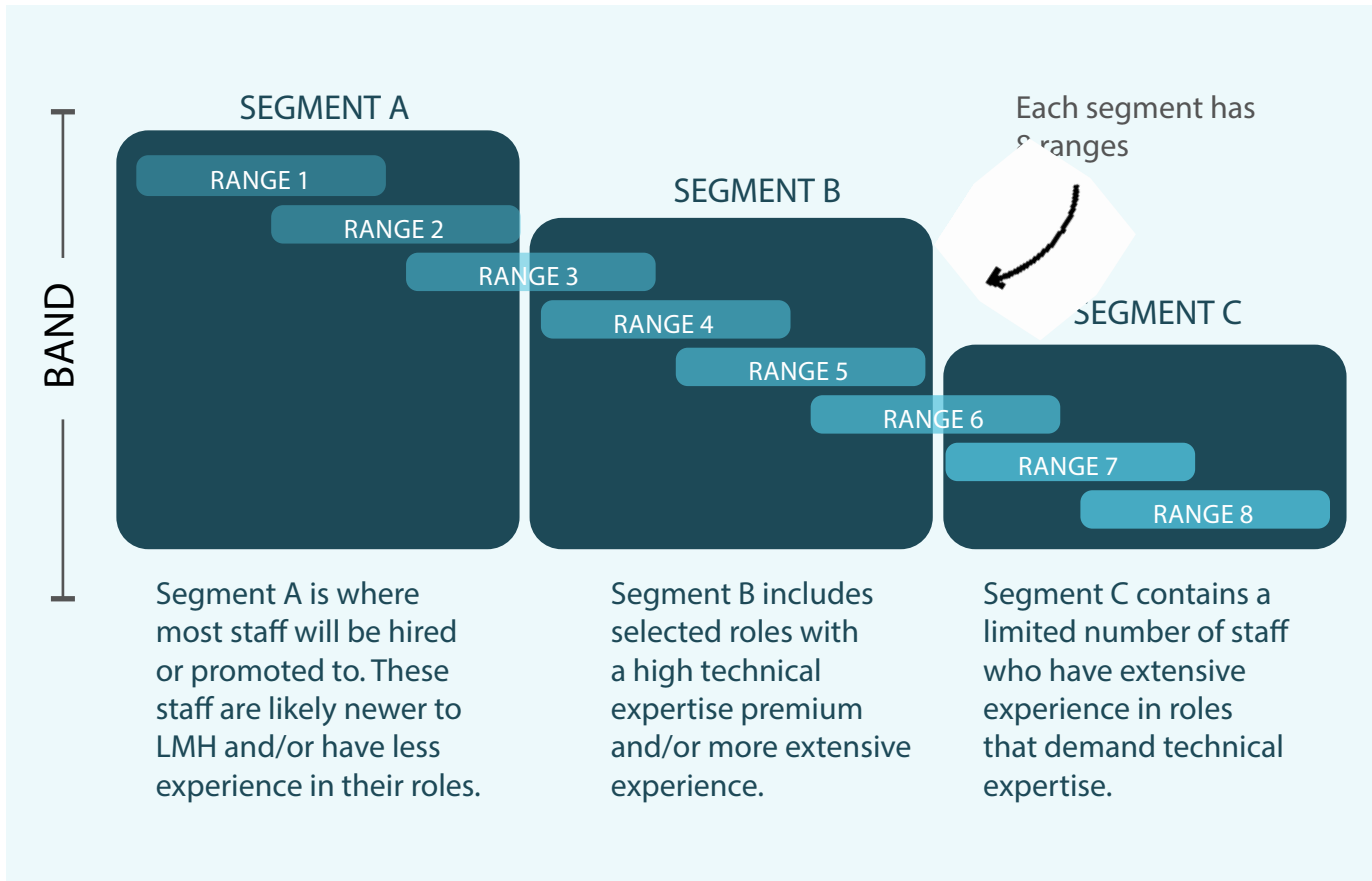
The bands generally align to career levels at LMH. For example:

- Bands 1-2 contain largely support and coordinator roles.
- Bands 3-5 contain largely middle management roles.
- Bands 6-7 contain largely managing director and chief roles.

THE SALARY SCALE STRUCTURE



ANATOMY OF A BAND



DEFINITIONS

SEGMENTS, RANGES, AND EXPERIENCE

Segment: Each band is divided into three equally-sized segments that are used to create more predictable career pathways.

Range: Each band is also divided into eight equally-sized ranges that are used to define where employees are placed on the band.

Market premium for technical expertise and experience in equivalent role: These are the two factors that together determine the pay range.

OUR PROCESS FOR SETTING SALARIES

Individual salaries are set by our People Operations team using a four-step process when a candidate is offered a role or when an LMH employee moves into a new role.

STEP 1: Assess each job and place it on the appropriate band. Each role at LMH is graded on a number of criteria, including scope of authority, autonomy, people and budget management responsibilities, and typical experience and education required. That grading informs the job title and the salary band on which it is placed.

STEP 2: Determine any market premium for technical expertise required by the job. Because LMH is a technical organization, almost all of our jobs are technical in nature. However, some roles have a market premium because of the level of technical expertise required. These are roles in which qualified candidates are scarce in the market, specific technical expertise and experience is required to do the work, and/or specialized credentials (such as an MD or CPA) are required. Technical expertise premium is graded as standard, medium, and high. The vast majority of jobs at LMH have a standard technical premium.

STEP 3: Assess the candidate's experience in equivalent roles. All job candidates bring meaningful and interesting experience to their roles at LMH. The total experience required for a role influences the job grading process and helps determine whether a given candidate is eligible to apply. When setting individual candidate pay, however, we assess how much prior experience a candidate has in an equivalent role (e.g., how long a candidate for a program manager role has worked as a program manager doing similar work). Equivalent experience is graded on a scale from low to very high.

STEP 4: Examine any within-range factors. Salary ranges are relatively narrow and most candidates should expect to receive offers at the beginning of the range. However, additional factors may indicate that a candidate should be set at a different point in the range, including whether the candidate has performed limited portions of this role before, whether the role includes significant responsibility compared to other roles on the same band, and whether there are other equity and parity factors to be considered.

Upon completion of Step 4, we will have set the salary for a job candidate or employee, which we then share with them in a non-negotiable job offer.

TWO IMPORTANT NOTES

1. We use Steps 1-3 to develop the salary ranges we include in job postings, although those ranges may be wider because we allow for a broader range of equivalent experience during our recruitments. In most cases, the salary range will not go above the top of Segment B, to allow new employees room to grow within their given salary band.
2. The salary scales and salary setting process apply equally to C-suite employees, including our Chief Executive Officer. C-suite salaries—located in Band 7—are set using the same methodology as other salaries, with a few additional data sources. A Board of Directors committee sets our CEO salary and oversees compensation decisions for the C-suite. You can find [our most recent IRS 990 form](#), which includes information on our highest paid employees, on our website.

For example, if a role has a standard technical expertise premium (1 point) and the candidate has medium equivalent experience (2 points), the candidate would be placed in range



CALCULATING YOUR RANGE

We use the information from in Steps 1-3 to set the pay range for an individual candidate. We do this using a simple formula combining our assessments of technical expertise and equivalent experience, each of which are scored as follows.

MARKET PREMIUM FOR TECHNICAL EXPERTISE

Standard	1
Medium	2
High	3

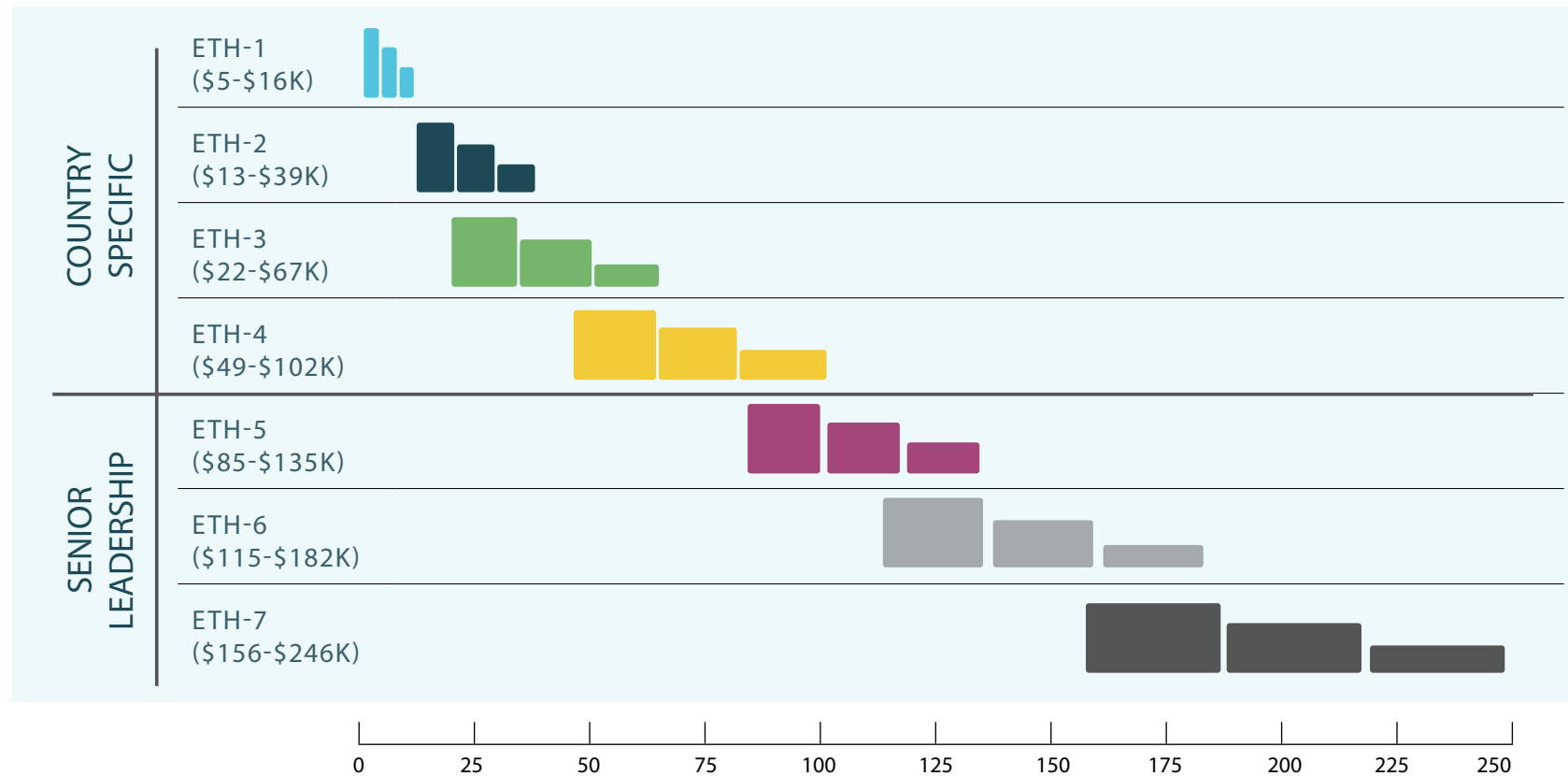
EXPERIENCE IN EQUIVALENT ROLE

Low	0
Low-Medium	1
Medium	2
Medium-High	3
High	4
Very High	5

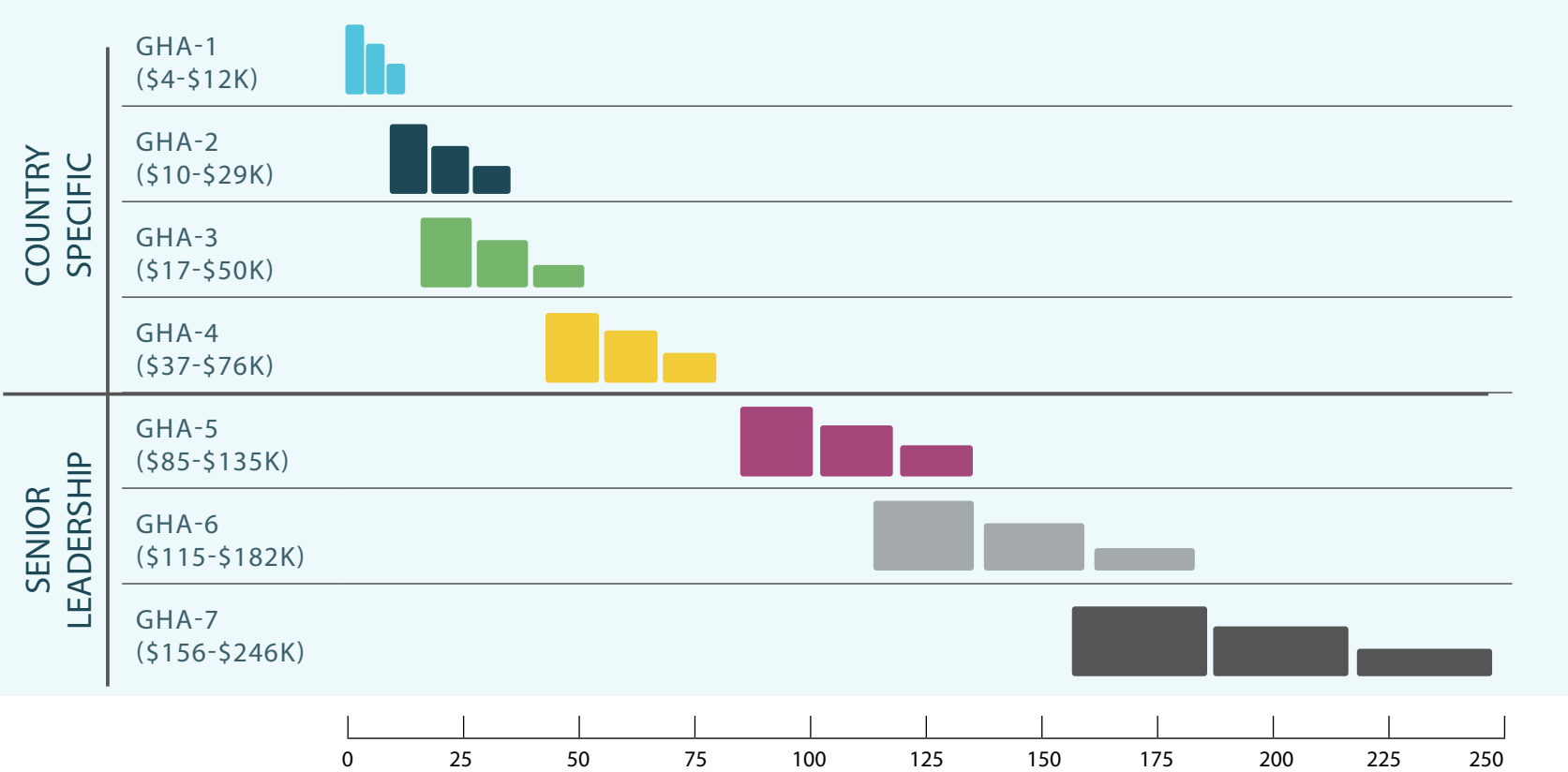
We add together the scores for technical expertise and equivalent experience to determine the range.

COUNTRY-SPECIFIC SALARY SCALES

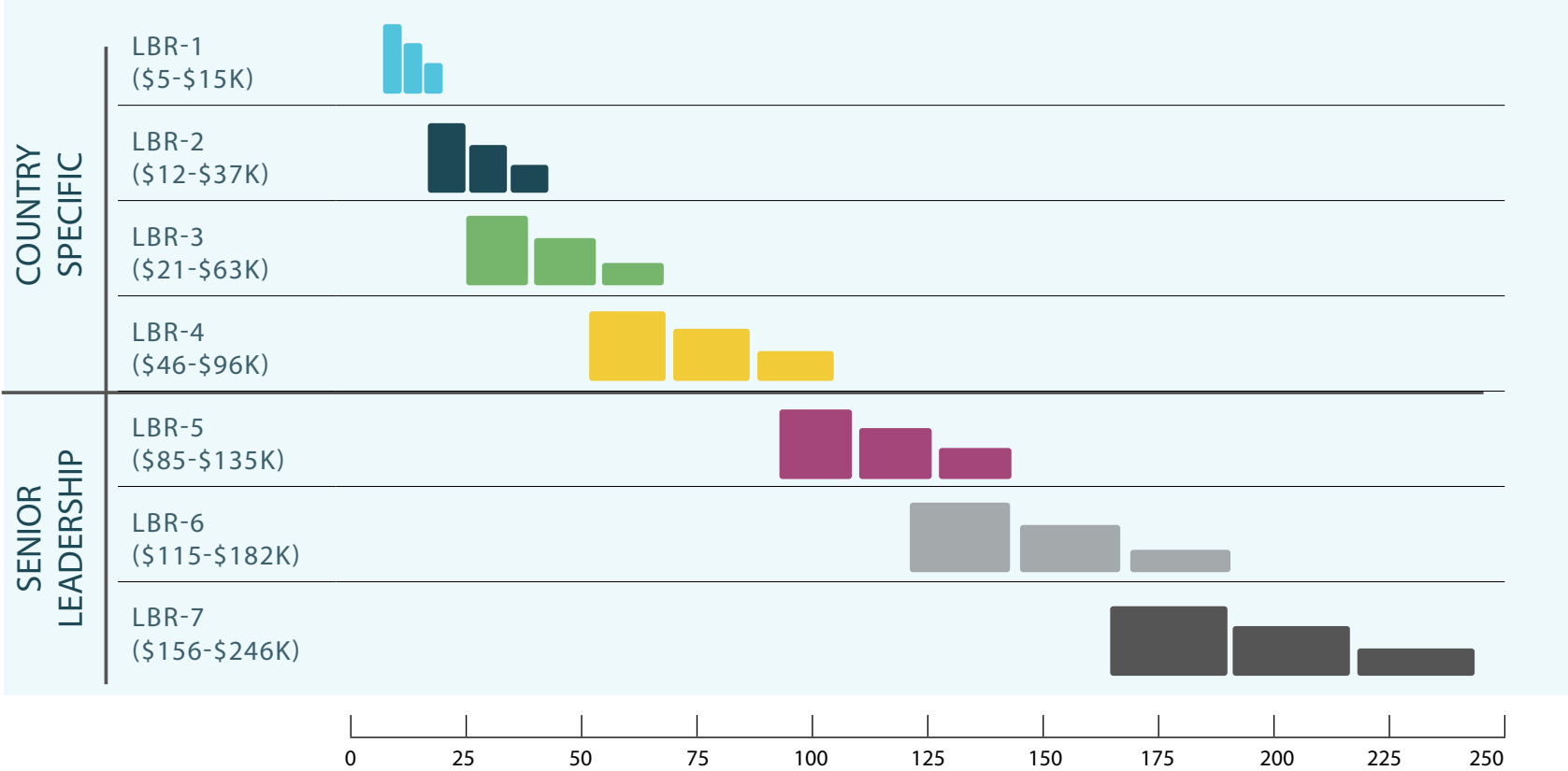
ETHIOPIA SALARY SCALE



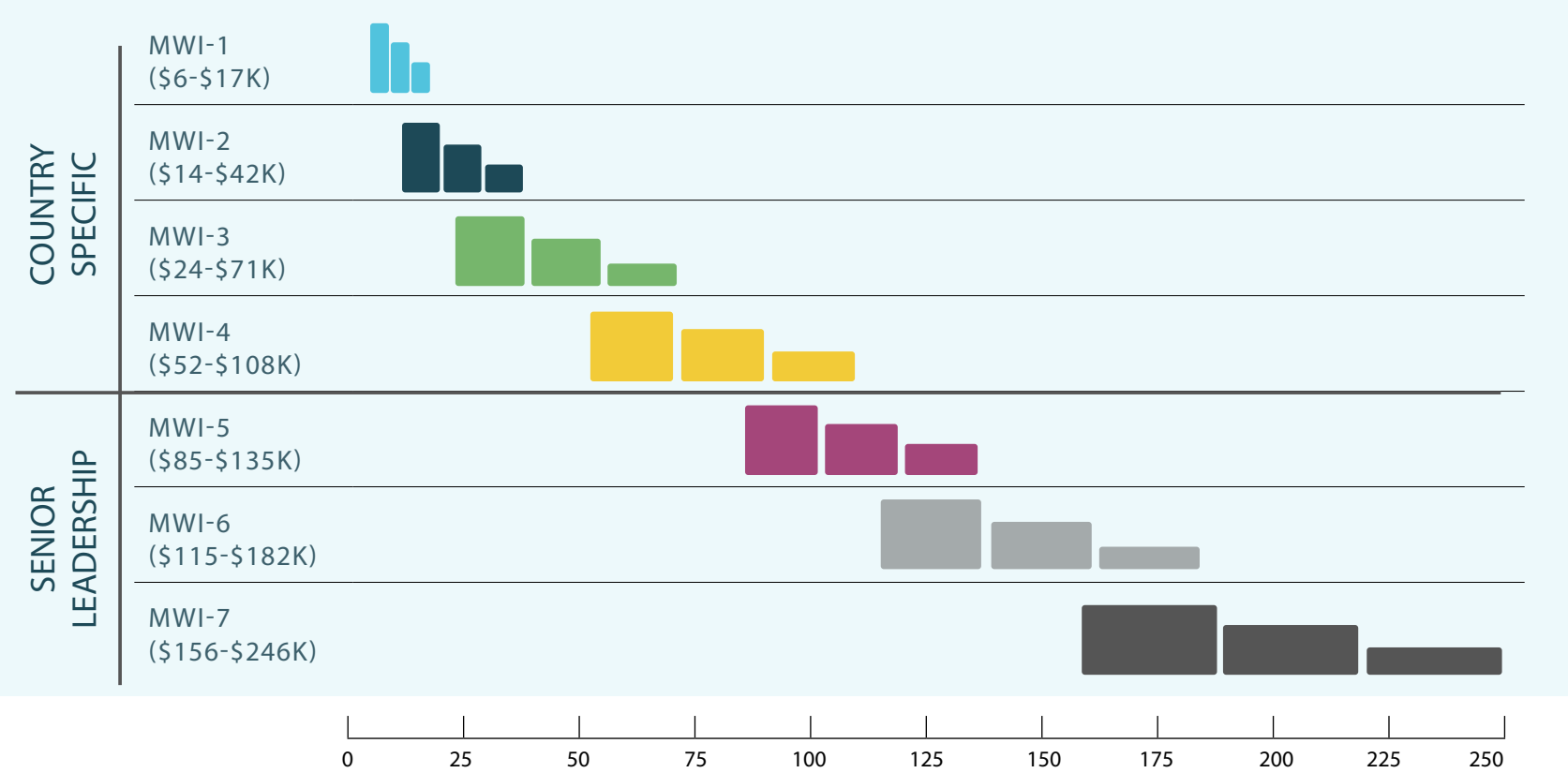
GHANA SALARY SCALE



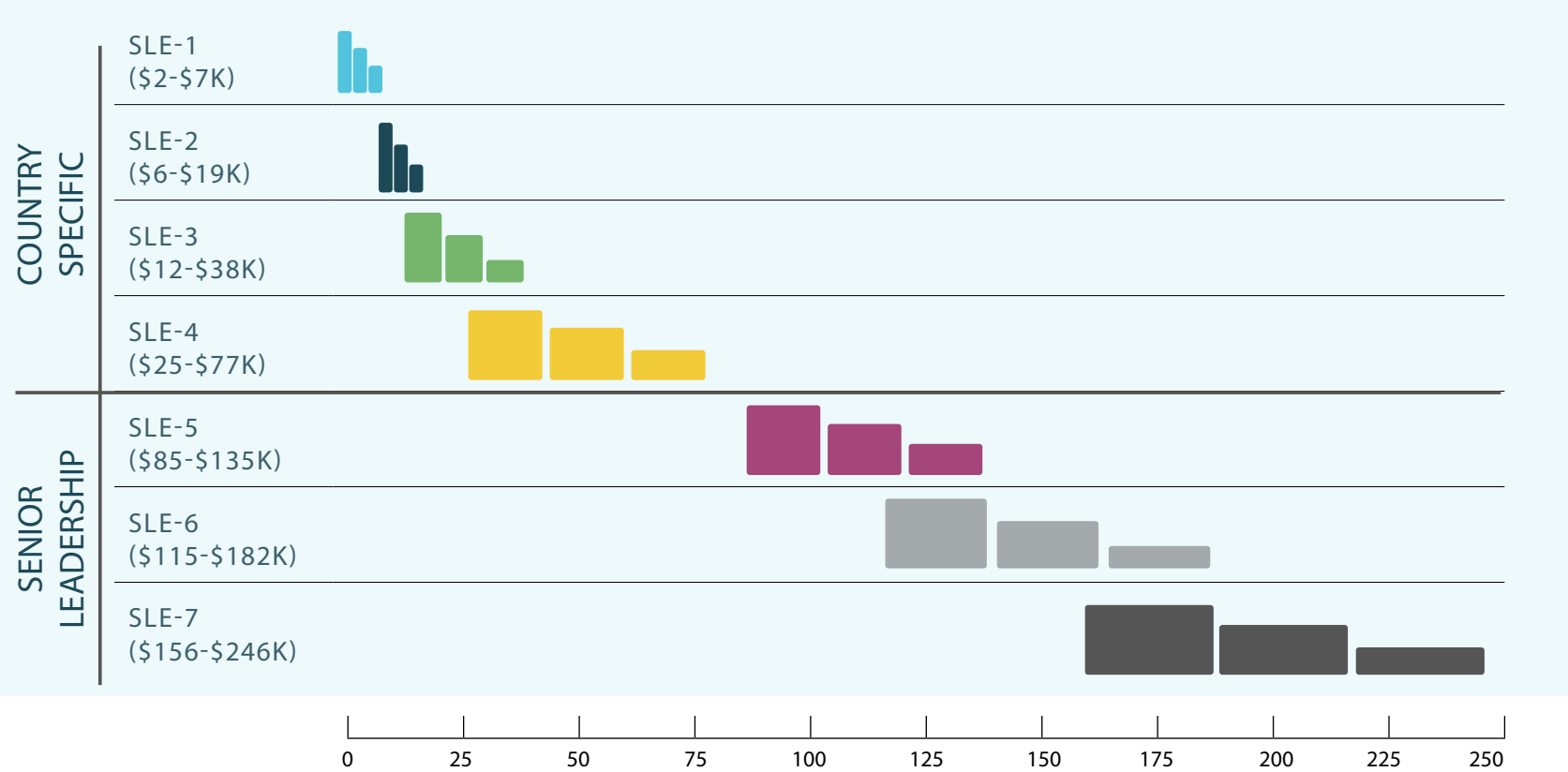
LIBERIA SALARY SCALE



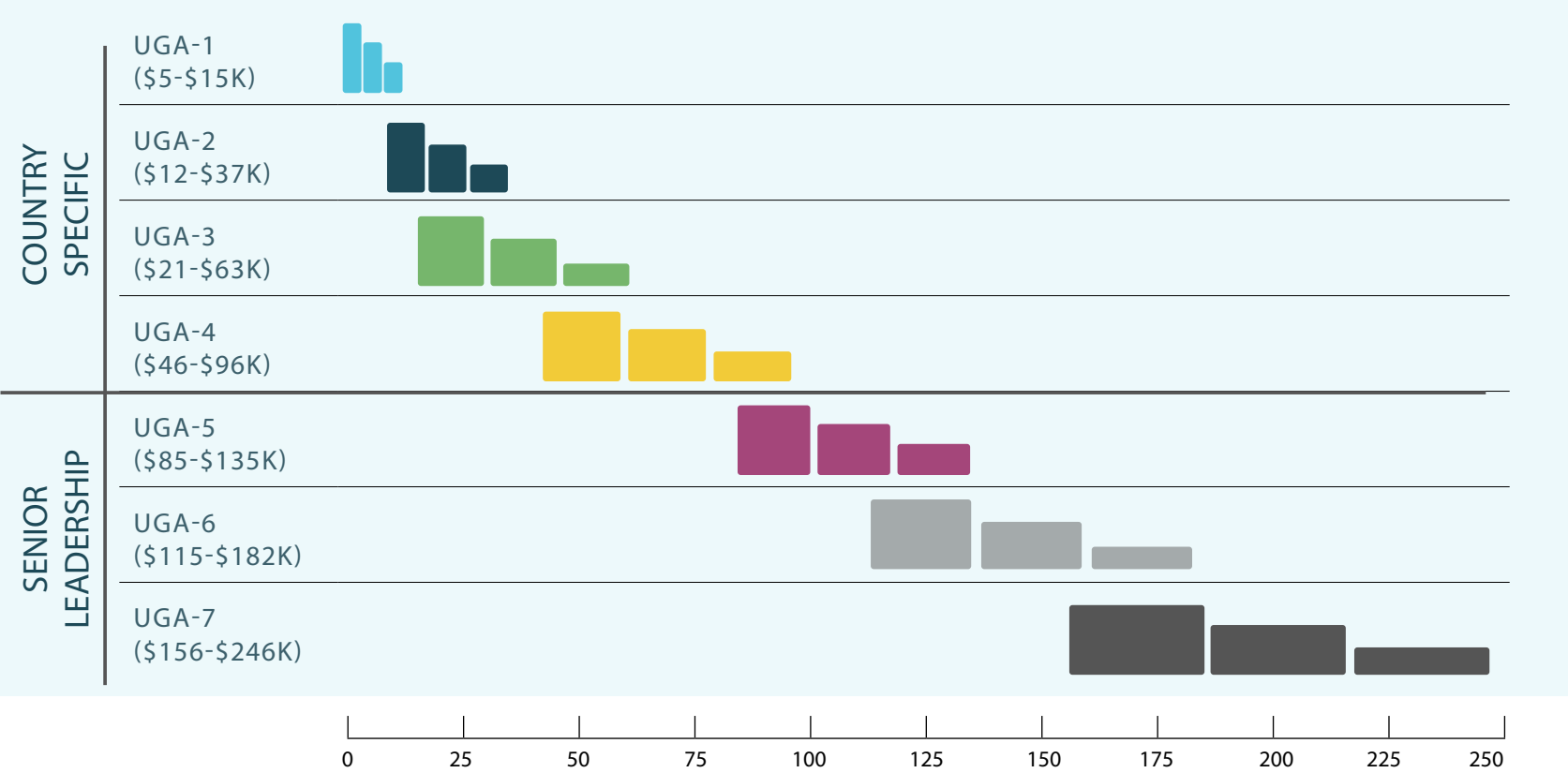
MALAWI SALARY SCALE



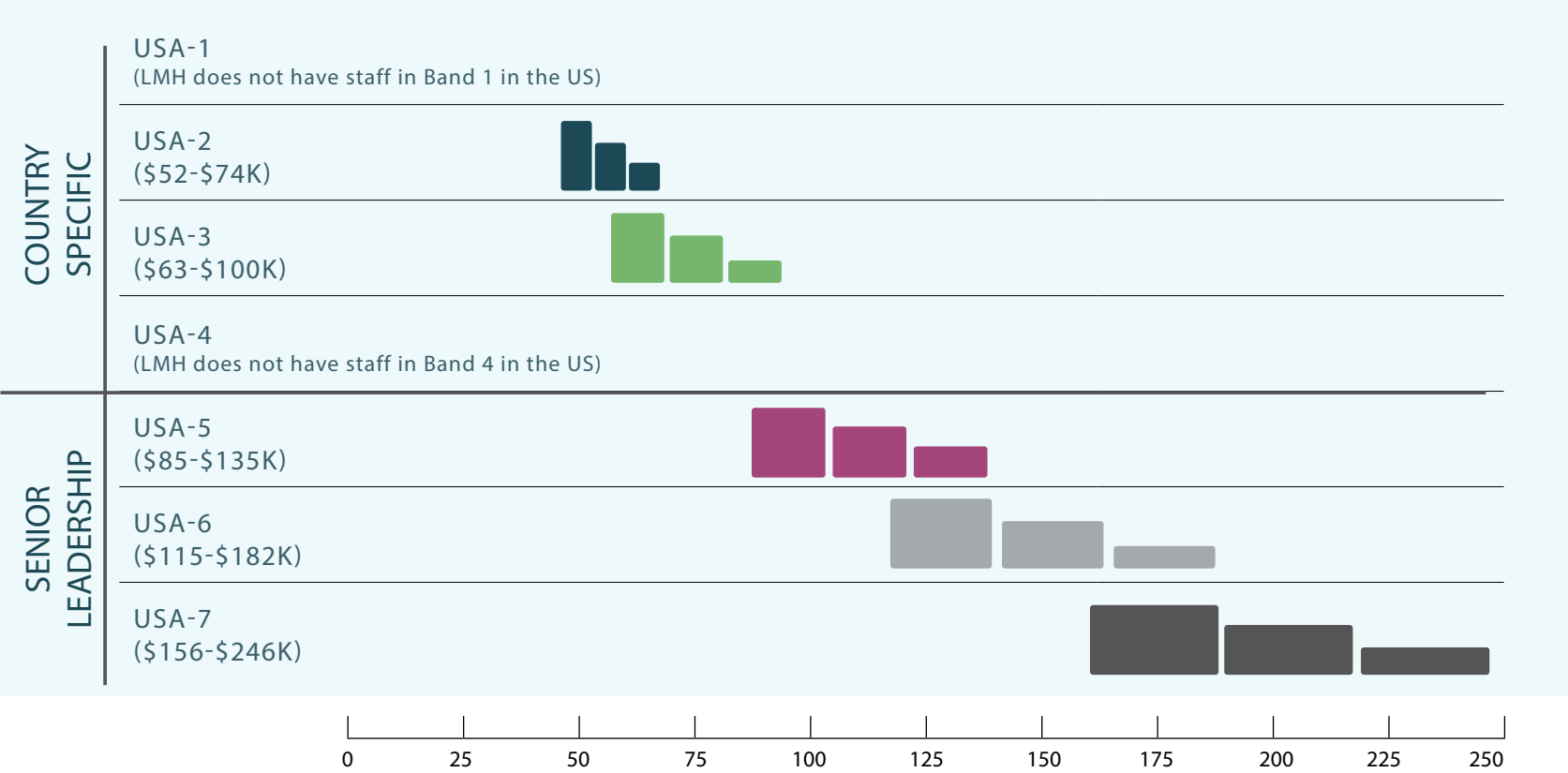
SIERRA LEONE SALARY SCALE



UGANDA SALARY SCALE



UNITED STATES SALARY SCALE



BENEFITS

Last Mile Health offers a generous benefits package to all employees, including medical and other health insurance, paid time off, retirement, and a host of supplemental benefits. These benefits vary across geography according to market expectations and local labor laws.

Leaning into our commitment to pay equity, our compensation model aims to expand local national employee benefits to better guard against economic and health insecurities. There are four specific benefits that highlight this commitment:

- Coverage of up to four beneficiaries on medical insurance. Many of our local national employees support large or extended families and this benefit allows them to protect the health of more beneficiaries.
- Supplemental emergency medical insurance for catastrophic care outside of our countries of operation. The countries where we operate have underdeveloped health systems, especially community health systems—it is the reason LMH is there. As a result, our local national staff are more vulnerable to catastrophic medical emergencies. This benefit insures against some of those emergencies.
- Employer-matched savings account, in which LMH matches employee contributions up to 3% of salary.
- A host of supplemental benefits, including benefits to support child school fees, transportation, bereavement, and a variable end-of-year payment.

A key feature of LMH employee benefits is that most of the benefits are paid out as a flat rate—as opposed to a percentage of salary. This allows for benefits to disproportionately accrue to employees in salary Bands 1-4.



Please review the detailed explanation of benefits across our employee groups below and [visit our website](#) to see our Country Overviews.

PROGRAM COUNTRY EMPLOYEES	INTERNATIONAL EMPLOYEES	U.S.-BASED EMPLOYEES
INSURANCE		
<ul style="list-style-type: none"> Local health insurance coverage for employee and up to 4 beneficiaries covered at 100% Mental health support through our employee resilience program Supplemental emergency medical insurance for treatment of select conditions outside of country 	<ul style="list-style-type: none"> Health, vision, and dental insurance for employees (covered at 100%) and beneficiaries (covered at 50%) Medical evacuation coverage Long-term disability and life insurance Mental health support through our employee resilience program 	<ul style="list-style-type: none"> Comprehensive health and dental insurance for employee and beneficiaries subsidized at 80% Vision insurance for employee and your beneficiaries subsidized by LMH at 100% Short-term disability, long-term disability, and life insurance Global traveler insurance to support medical evacuation during work-related travel Mental health support through our employee resilience program
PAID TIME OFF		
<ul style="list-style-type: none"> Paid time off, sick leave, and public holidays in alignment with local labor standards or LMH standards, whichever are more generous (specific amounts vary by country location) Paid parental leave in alignment with local labor standards Approximately 1 week year-end office closure 	<ul style="list-style-type: none"> 30 vacation days, 12 sick days, and paid public holidays (specific to the country of assignment) Paid parental leave in alignment with local labor standards Approximately 1 week year-end office closure 	<ul style="list-style-type: none"> 20 vacation, 5 sick days, and major public holidays 8 weeks of paid parental leave and 4 weeks of unpaid parental leave Approximately 1 week year-end office closure
RETIREMENT		
<ul style="list-style-type: none"> Employer-matched savings scheme of 3% through a local banking institution 	<ul style="list-style-type: none"> Retirement plan with match up to 3% 	<ul style="list-style-type: none"> Retirement plan with match up to 3%
SUPPLEMENTAL BENEFITS		
<ul style="list-style-type: none"> Child school fees benefit up to \$900 per employee per year Monthly transportation benefit of \$50-75/month Bereavement benefit of \$200 for loss of a close family member, payable to an employee up to 3 times per year Phone and data/internet support (varies by the need of role and location) Variable year-end bonus in December Professional Development opportunities provided at individual and organizational levels where skills are needed to help us reach our goals together 	<ul style="list-style-type: none"> \$500 relocation stipend paid at both the beginning and end of service Entry and exit flight \$2200 annual travel stipend Phone and data/internet support (varies by the need of role and location) Limited accompanied contracts covering the travel and residency costs of up to 4 beneficiaries—including entry, exit, and annual leave flights, relocation costs, and residency permits in the same amounts offered to the employee, but not including school fees or any additional beneficiaries benefits Professional Development opportunities provided at individual and organizational levels where skills are needed to help us reach our goals together. 	<ul style="list-style-type: none"> Flexible and remote work Cell phone stipend of \$55/month or a company-provided phone Pre-tax flexible spending accounts. Employees can contribute through four separate accounts, including healthcare, beneficiary care, public transit, and parking Professional Development opportunities provided at individual and organizational levels where skills are needed to help us reach our goals together

RELEVANT HIRING AND STAFFING POLICIES

We use several standard hiring policies to show candidates how our compensation model relates to hiring and staffing, and to ensure that the model is implemented correctly and consistently.

GENERAL HIRING POLICIES

- LMH shares all details of our compensation model and expectations with all prospective new hires. All job candidates have access to the same materials as our employees and can engage transparently with their recruiter to further refine their understanding. This will help ensure that our pay structures, and ultimately, the offer they receive is clearly understood.
- We publish salary ranges in all job postings. Transparent communication of salary expectations is a cornerstone of our compensation model. Publishing salary ranges will signal to candidates whether this role is appropriate for—or desirable to—they and will reduce unnecessary time spent by the applicant and by LMH staff.
- We do not request salary history. Although illegal in some parts of the United States, requesting salary histories is still a common practice around the world. Because we pay employees based only on the job grade, the technical premium, and their equivalent experience, prior pay is irrelevant.



- LMH does not negotiate job offers. Negotiating a job offer is a commonplace activity. Candidates negotiate their offers because it is expected but also because they do not understand on what criteria their offer is based. We have eliminated negotiated job offers for two important reasons. Firstly, we pay employees based only on the job grade, the technical premium, and their equivalent experience—and we will not deviate from that model. We will not pay anyone less than what the model indicates, nor will we pay more. By engaging in salary negotiations, we would be violating the terms of our compensation model. Secondly, research shows that salary negotiations produce pay inequities.

INTERNATIONAL EMPLOYEE STAFFING POLICIES

- LMH does not hire international staff on salary Bands 1 and 2. These salary bands are constituted by employees performing support or coordinator level roles, such as drivers, clerks, and associates. These roles can almost always be filled by the local labor pool.
- International hires must be well-justified. LMH will continue to hire international staff on Bands 3 and above when the local talent pool for a position is limited or when an international candidate can provide substantial benefit to LMH. These decisions will be guided by the analysis and experience of the team on the ground.
- All international hires must be approved by the local Country Director and the head of the global People Operations team.

CAREER GROWTH

We are committed to the long-term development of our employees' careers. As an organization that has consistently retained 95-100% of our staff year over year, we want to see our employees build a career with us that is filled with diverse and meaningful opportunities.

Ultimately, career growth is central to the employee experience and reflects LMH's mission and values, salary and benefits, and commitment to learning and development.

OUR COMMITMENT

To help our employees develop a long-term career at LMH, we are committed to:

- Using promotion pathways and protocols that are transparent and grounded in business needs.
- Applying an agile performance management system that complements our historical commitment to learning and development.
- Equipping managers to more effectively champion and support their teams through high-touch training on supportive supervision and team culture.

We also expect LMH employees to commit to their own learning and development, by setting work-related and professional development goals each fiscal year. Together, we can build rewarding, mission-driven careers with varied and interesting opportunities.



PROMOTIONS

One of the most common ingredients in career growth is a job change—typically a promotion. At LMH, we are committed to a promotions structure that values equity, transparency, and predictability.

Promotion decisions at LMH:

- Are based on data, including a manager recommendation, performance evaluation results, and successful completion of a promotion plan.
- Are driven, in part, by organizational need.
- Are informed by recommendations from managers and People Operations but are ultimately decided by an internal, independent committee.
- Typically occur twice per year, although ad-hoc interim promotions may occur to respond to vacancies.
- Follow the same salary-setting structure as all other roles; some promotions will be within-band promotions, moving up to the next segment on the salary band and often with the addition of “senior” to the title, and others will be next-band promotions, moving to the salary band above.
- Are subject to equity and performance checks.

In regard to in-band promotions, employees can earn a promotion to a more senior role in Segment B or C either through steady salary increases over time or a promotion to Segment B. A senior title implies greater scope of responsibility than other roles in that band. Roles in Bands 6 and 7 are generally not eligible for these types of promotions. Promotions are not guaranteed and each employee’s career progression depends on many factors, including role, level, performance, and LMH’s business needs.

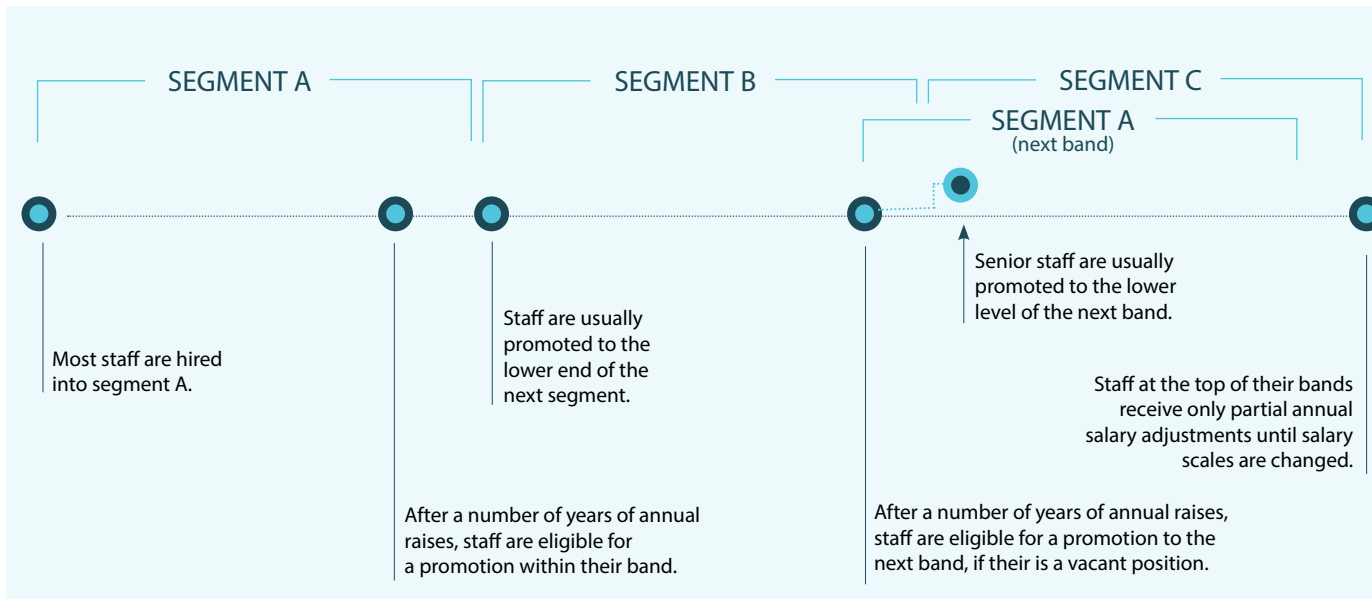
PROMOTIONS COMMITTEE

LMH has established an independent, internal committee to review promotions and to lead accountability for the overall performance of our compensation model. This committee is made up of leadership from across LMH. The committee’s core responsibilities include:

- Review of compensation data and analysis to ensure pay equity.
- Review of promotion plans to ensure high-quality development practices
- Approve or deny promotion requests.
- Make recommendations to People Operations to improve the design and implementation of LMH’s compensation model.

STANDARD PROGRESSION

We expect most career paths at LMH to follow a similar trajectory in which employees progress across segments and bands through annual adjustments until a business need presents a potential opportunity for promotion. But the specific timeline for an individual's career progression is variable depending on staff role, level, performance, LMH's hiring needs, and geography. Geographic differences in advancement timelines are primarily driven by the fact that program country salary bands are disproportionately wider than in other geographies. Additionally, program country employees tend to earn higher annual adjustments.



PERFORMANCE-BASED RAISES

LMH does not currently give performance-based raises, but we are strongly considering implementing them in the near future. We have set several criteria for the adoption of performance-based raises, including:

- The performance evaluation system has been successfully administered for at least one year, including 90% on-time completion rates.
- All managers have received anti-bias and performance evaluation training.
- When surveyed, most staff report clarity on how their performance is evaluated.
- Leaders who audit performance reviews rarely need to ask managers to revise their draft reviews.
- The independent internal committee finds limited evidence of systemic inequity in annual reviews across staff groups or managers.
- LMH's leadership is comfortable with the potential added expenditure of adopting performance-based raises.

NEXT STEPS

CONTINUOUS LEARNING

Whether you are an LMH employee, job candidate, HR professional, or employee or leader from a peer organization, we hope this information has increased your understanding and confidence in LMH's compensation model and our serious commitment to equity and transparency.

Please use anything of value to you, replicate what you like, discard what you do not like, and share with us anything you have learned.

LMH is a learning-oriented organization, and we are committed to growing through this process. No compensation model is perfect and LMH's is no exception. This approach will evolve and change as we use it and get feedback from our employees and others.

ADDITIONAL RESOURCES

Beyond this introduction to LMH's compensation model, we have further information you may find valuable. Additional resources are being developed and will be included in this list as they are finalized.

- **FAQs:** We are lucky to have very curious and engaged employees, who helped us develop a list of [frequently asked questions](#).
- **Data Sources:** To learn more about the data sources of our compensation model, visit the websites for the [Birches Group](#), [Payscale](#), [ERI](#), and [Guidestar](#).
- **R&D Process:** LMH partnered with [Wellspring Consulting](#) over the course of several months to research and develop this compensation model.



- Methodology: We created a robust methodology to create LMH's salary scales. [Read about how we did that.](#)
- Salary Numbers: Check out the numbers underlying the salary scale graphics, including [slides that provide an overview of the process](#) and a [spreadsheet](#) where you can plug in your info and see the salary range.
- Employee Learning and Development: At LMH, we believe that you are ultimately responsible for your own development. Your commitment to your own learning and development, coupled with strong individual performance, are two of the most important ingredients to building a great career. But your manager and the Learning & Development Team are here to support you in that growth. Leap: Performance & Development is LMH's performance management and development planning system . Leap consists of tools for competency evaluation and self-reflection, goal setting, 360-degree feedback, performance evaluation, and mentoring opportunities.

IN CLOSING...

LMH reserves the right to modify its compensation model at any time. While we will attempt to update all publicly available materials accordingly, there may be some discrepancies as the model evolves.

If you have questions or input related to LMH's compensation model, please reach out to us at compensation@lastmilehealth.org. We welcome your feedback.