

Scope of Work (SOW)

Engagement of HR Consulting Firm for Review and Redesign of Compensation & Benefits Frameworks and Policies

1. Background

Pakistan Microfinance Investment Company (PMIC) intends to engage an external HR Consulting Firm to conduct a comprehensive review and redesign of its Compensation & Benefits frameworks and policies in line with market best practices and evolving organizational requirements.

As the organization continues to grow, PMIC seeks to strengthen key Compensation & Benefits frameworks to ensure they are robust, transparent, market-aligned, sustainable, and supportive of organizational growth, employee retention, and a performance-driven culture.

The consulting firm will be required to assess existing frameworks and policies, benchmark them against comparable organizations, identify gaps and improvement areas, and develop practical, implementation-oriented recommendations and framework enhancements for the areas outlined in this Scope of Work.

2. Objective of the Assignment

The objective of this assignment is to conduct a review and redesign of PMIC's Compensation & Benefits frameworks and policies to align them with the best market practices, organizational priorities, governance standards, affordability considerations, and evolving workforce requirements.

The consulting firm is expected to:

- Assess existing Compensation & Benefits frameworks and policies
- Identify gaps, inconsistencies, and improvement areas
- Benchmark PMIC's frameworks against comparable organizations within the financial, banking, microfinance, and development sectors
- Develop practical and implementation-oriented Compensation & Benefits framework recommendations
- Recommend governance mechanisms and implementation considerations to support organizational sustainability, employee retention, and operational effectiveness

3. Scope of Work

The consulting firm shall conduct a review and redesign of PMIC's Compensation & Benefits frameworks, policies, and governance structures to ensure alignment with market practices, organizational requirements, affordability considerations, and employee value proposition within the financial services and development sectors.

The assignment is intended as a policy and framework redesign exercise and shall not include organization restructuring, job evaluation exercises, HR process reengineering, HRIS implementation, or full-scale compensation restructuring unless the gaps are significant and specifically agreed by PMIC.

The assignment shall include, but not be limited to, the following areas:

A. Compensation Structure & Salary Framework

- Review of PMIC's overall compensation structure and salary framework
- Review salary bands, pay structure, and salary components
- Validate compensation positioning and salary framework alignment using available market insights
- Review annual salary increment formula and salary administration practices along with comparison with the peers.

The assignment will focus on policy and framework recommendations only and will not include individual employee salary reviews.

B. Variable Pay, Reward & Recognition Framework

- Review annual bonus and performance incentive frameworks
- Assess bonus pool calculation methodology
- Review linkage between organizational performance, individual performance, and bonus payouts
- Review of reward and recognition programs

C. Employee Benefits Framework

- Examine retirement and long-term benefits, including Provident Fund and Gratuity
- Evaluate medical, insurance, and wellness benefits
- Analyze leave-related benefits and leave encashment practices
- Assess competitiveness and sustainability of employee benefits framework

D. Vehicle, Allowance & Perquisite Framework

- Review vehicle and transportation-related benefits
- Review employee allowances and perquisites
- Review fuel, communication, and mobility-related benefits
- Assess market relevance and operational effectiveness of allowances and perquisite structures
- Assess eligibility criteria, governance, and approval mechanisms
- Recommend cost optimization measures where required

E. Employee Loan, Advance & Financial Assistance Framework

- Examine employee loan and salary advance policies

- Evaluate eligibility criteria, loan limits, repayment terms
- Analyze repayment and recovery mechanisms Assess competitiveness, affordability, and governance of employee financial assistance mechanisms
- Recommend governance and control mechanisms

F. Domestic and International Travel, Tours & Lodging Framework

- Review of domestic and international travel policies and entitlements
- Review travel, accommodation, transportation, and per diem structures
- Assess adequacy, governance, and cost effectiveness of travel-related entitlements

G. Promotion Framework & Policy Review

- Evaluate PMIC's existing promotion policy, framework, and promotion practices
- Assess promotion eligibility criteria, governance mechanisms, and approval processes
- Review linkage between employee performance, role complexity, responsibilities, and promotion decisions
- Assess effectiveness and transparency of promotion practices and career progression mechanisms
- Assess alignment of promotion practices with employee development and career progression objectives
- Review promotion-related benefits, recognition mechanisms, and employee advancement practices
- Develop practical and implementation-oriented recommendations for strengthening the promotion framework and policy in line with organizational requirements and market practices

4. Deliverables

The consulting firm shall provide the following deliverables:

1. Diagnostic assessment of existing Compensation & Benefits frameworks and policies, including identified gaps and improvement areas
2. Market benchmarking analysis against comparable organizations within the financial, microfinance, banking, and development sectors
3. Redesigned Compensation & Benefits policy and framework recommendations covering all agreed scope areas
4. Draft policy and governance documents for review by PMIC management
5. Finalized Compensation & Benefits policy framework documents incorporating PMIC feedback
6. Presentation of key recommendations and finalized frameworks to Senior Management / Board HR Committee

5. Duration of Assignment

The expected duration of the assignment shall be approximately 6–8 weeks from the date of engagement, subject to mutual agreement and availability of required information and stakeholder consultations.

6. Firm Profile

The consulting firm should possess:

- Demonstrated expertise in Human Resource Management, Compensation & Benefits, Organizational Development, and HR framework design
- Proven experience in reviewing and redesigning Compensation & Benefits frameworks and policies for financial institutions, microfinance institutions and development finance Institutions.
- Strong experience in designing and benchmarking:
 - Compensation structures
 - Variable pay and bonus frameworks
 - Employee benefits frameworks
 - Allowance and perquisite structures
 - Employee loan and financial assistance policies
 - Travel and lodging policies
- Strong understanding of market practices, benchmarking methodologies, governance mechanisms, and affordability considerations within the financial and development sectors
- Ability to provide practical, implementation-oriented, and business-focused recommendations aligned with organizational requirements and market realities
- Strong coordination, presentation, and report-writing capabilities

7. Reporting Line

The consulting firm will work closely with the Human Resources Department and report to the Head of People & Communications

8. Confidentiality

All information shared during the course of this assignment shall remain strictly confidential and shall not be disclosed to any third party without prior written consent from PMIC.