KEY HIGHLIGHTS AND NOTABLE CHANGES FROM 2008 COMPENSATION GUIDELINES

Background

The 2009 Administrative Staff Compensation Guidelines were sent to colleges on April 14, 2009. The guidelines/recommendations come from the College Compensation Committee (CCC)[1].

On March 5, 2009, OCASA sent a statement to the CCC regarding the discussion around compensation recommendations for administrative staff. At that time, OCASA was not privy to the committee discussions. OCASA's statement can be found in APPENDIX A.

Summary

The 2009 Compensation Guidelines follow a similar format to the 2008 recommendations.

The first notable difference is the 1.5% economic adjustment to the salary ranges (compared with 3% in 2008).

Further changes can be found in sections 3 and 5 where there have been significant changes and additions to the text. These sections relate to performance ratings and compensation recommendations when recruiting and promoting administrative staff. The merit increases assigned to each performance rating have been adjusted slightly as well, providing more flexibility to the college.

The full recommendations can be found in APPENDIX B. Yellow highlighted text indicates changes from the 2008 guidelines. These highlights are provided by OCASA.

An overview of the changes noted above follow on the next page.

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[1] The Colleges' Compensation Committee (the CCC) is an independent body reporting to the Colleges' Boards of Governors. College participation is voluntary and subject to approval by each College's Board of Governors. The CCC was formed following the proclamation of the *Colleges of Applied Arts and Technology Act 2002* and its Regulation when the responsibility for establishing the compensation levels and the terms and conditions of employment for College Presidents and for Administrative Staff were transferred to the individual College's Board of Governors.
The mandate of the CCC is to direct research and prepare guidelines relating to the compensation levels and the terms and conditions of employment for College Presidents and for Administrative Staff for consideration by each College's Board of Governors. Guidelines prepared by the CCC are not binding on a college. The CCC is also a forum for discussion, feedback and the identification of best practices (taken from the Colleges' Compensation Committee, Terms of Reference).

OCASA APACO

1. Structure Increase

The **2009** Salary Range reflects an increase across the board of 1.5% effective April 1, 2009.

College Admin. Levels	Salary Bands	2009 Salary Range		Exceptional Performance Incentive (EPI)	Maximum Base + EPI
		Minimum	Maximum		
		75%	100%		
Vice President Levels	17	142,935	190,580	Up to 15%	219,168
	16	126,716	168,954	Up to 15%	194,297
	15	112,299	149,732	Up to 15%	172,192
Sr. Manager & Director Levels	14	99,542	132,723	Up to 10%	145,996
	13	88,254	117,672	Up to 10%	129,439
	12	78,477	104,636	Up to 10%	115,100
		80%	100%		
Manager & Supervisor Levels	11	74,011	92,513	Up to 7%	98,989
	10	65,619	82,024	Up to 7%	87,776
	9	58,332	72,915	Up to 7%	78,019
Coordinators, Administrators and Admin. Assistant Levels	8	52,617	65,771	Up to 4%	68,402
	7	46,650	58,313	Up to 4%	60,645
	6	41,359	51,700	Up to 4%	53,768
	5	38,102	47,628	Up to 4%	49,533

The **2008** Salary Range reflected an increase across the board of 3.0% effective April 1, 2008.

College Admin. Levels	Salary Bands	2008 Salary Range		Exceptional Performance Incentive (EPI)	Maximum Base + EPI
		Minimum	Maximum		
		75%	100%		
Vice President Levels	17	140,823	187,764	Up to 15%[1]	215,929
	16	124,843	166,457	Up to 15%	191,426
	15	110,639	147,519	Up to 15%	169,647
Sr. Manager & Director Levels	14	98,071	130,762	Up to 10%	143,838
	13	86,950	115,933	Up to 10%	127,526
	12	77,317	103,090	Up to 10%	113,399
		80%	100%		
Manager & Supervisor Levels	11[2]	72,917	91,146	Up to 7%	97,526
	10	64,649	80,812	Up to 7%	86,469
	9	57,470	71,837	Up to 7%	76,866
Coordinators, Administrators and Admin. Assistant Levels	8	51,839	64,799	Up to 4%	67,391
	7	45,961	57,451	Up to 4%	59,749
	6	40,748	50,936	Up to 4%	52,973
	5	37,539	46,924	Up to 4%	48,801

3. Movement through the Base Salary Range:

Key Changes:

a) **New language for performance ratings including <u>definitions</u> for these ratings:**
S = Superior
FS = Fully Successful
NI = Satisfactory/Needs Improvement
U = Clearly Unsatisfactory

A distinction is being made between *experienced employees* and *employees who are still developing*.

2009: Merit increases shown are in addition to the economic adjustment (1.5%)

	2009 Recommendations	**2008 Recommendations**
Merit Increases	Superior	Above Expected
	4% - 6%	5% - 6%
	Fully Satisfactory	At Expected
	2% - 4%	3% - 4%
	Satisfactory/ Needs Improvement	Partially at Expected
	0% - 2%	1% - 2%
	Clearly Unsatisfactory	Below Expected
	no increase in base pay	no increase in base pay

5. Recruiting and Promoting Administrative Staff

Implementation practices for compensation in specific circumstances are more detailed in the 2009 Guidelines:

"A number of new salary administrative practices have been added to the guidelines to assist colleges, as needed and in consultation with Human Resources, in effectively managing compensation for Administrative Staff" (page 5 of the2009 Guidelines).

- New Hires
- Internal Promotions / Reclassifications
- Special Assignment / Acting Pay
- Lateral Job Growth (a. Added responsibility and, b. Added Expertise)
- Added Responsibility Pay
- Underfilling

The highlighted sections have additional or significantly different language.

Ontario College Administrative Staff Association

OCASA
APACO

Association du personnel administratif des collèges de l'Ontario

MEMO TO: College Compensation Committee

FROM: Steve Robinson, President OCASA

CC: Administrative Consultative Committee Members

DATE: Friday, March 06, 2009

RE: Compensation Guidelines for Administrative Staff

The current economic situation is placing an unusually heavy burden on Ontario Colleges. Budget limitations, combined with increased demands for valued services, place colleges in a position of unprecedented challenge but also opportunity.

OCASA recognizes that each college will have unique and individual needs and will find unique solutions in solving the current challenges. Therefore, we encourage senior management at each college to consult with and work with administrative staff in reaching equitable solutions that continue to support the strategic plans of those institutions.

OCASA supports maintaining a compensation program that upholds sound practices and policies. Those same principles that were outlined in the 2008 Compensation Guidelines should continue to be guiding principles for 2009. The points listed below are factors that OCASA believes should be included in any discussion around compensation guidelines for administrative staff in Ontario colleges:

- As an employee group, administrators should not bear a disproportionate share of the burden during times of economic restraint.
- Application of increases (3% for admin staff) as presented in the market survey of Fall 08 should be considered the base. This level is equal to or below levels of other employee groups through collective agreements.
- The McGuinty government stated on December 2, 2008 that restraint measures would be applied to MPPs and senior management (salary increases limited to 1.5%). They have also encouraged partners in the Broader Public Service to follow suit where staff earn over $150,000. OCASA sees no direct application to college administrative staff whose salaries, apart from very senior management, fall below this salary benchmark.
- Administrator workload has been and will continue to increase in the months ahead. In a time where workload is ever increasing for administrators, imposing compensation restraints will have a detrimental effect on overall administrator morale.

- Progress of administrators through the pay band levels should continue. Limiting such progress has lasting career and pension implications that can result in some individuals shouldering more of the restraints than others.

- Those near retirement would be particularly disadvantaged by any undue restraint they have little or no time to make up what is missed. Again, it is unfair that restraints fall unfairly on this employee group.

- Lower and mid pay bands in administrative staff are very sensitive to restraints. This is a group that can readily compare remuneration to that of support staff and faculty.

- Freezing the size of administrative staff may seem appropriate, but the total workload of administrators as noted above must be considered. Limitations in growth are understandable, but blanket policies should be avoided, and must take into account new initiatives that may emerge from increasing demands (in programs such as Second Career, for example.)

- Any program of retirement incentives should take into account the workload issue for administrators. Arbitrary staff reductions, if used, should consider the total workload such measures impose on staff. Again, any such measures must be fairly applied to all employee groups and individuals.

OCASA does not have a prescription to solve the current financial situation, but as usual OCASA strives to work collaboratively with the colleges to find mutually acceptable solutions to the challenges they face.

2009 COMPENSATION ADMINISTRATION GUIDELINES

1. Structure Increase

Based on the overall positioning of the salary range maximums and total cash compensation opportunity, and in consideration of market trends for 2009 salary adjustments, the Administrative Staff ranges increase across the board by 1.5% effective April 1, 2009.

College Admin. Levels	Salary Bands	2009 Salary Range		Exceptional Performance Incentive (EPI)	Maximum Base + EPI
		Minimum	Maximum		
		75%	100%		
Vice President Levels	17	142,935	190,580	Up to 15%	219,168
	16	126,716	168,954	Up to 15%	194,297
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2. Compensation Year

The compensation year is the time period used for evaluating Administrative employees' performance according to the Performance Management Process (Section 3-E of the Salary and Compensation Program). The compensation year should reflect the college's planning year.

Since most colleges use the April 1 to March 31 fiscal year as their planning timeframe, the Colleges' Compensation Committee (CCC) uses that same year for conducting compensation research.

3. Movement Through the Base Salary Range

The Compensation Program is designed to provide Administrative employees with annual compensation increases based upon their performance rating. There are four possible performance ratings that can be considered:[1]

S = Superior – This category is used for *experienced employees* who exceed the standard set for their job. They consistently demonstrate behaviours and achievements that exceed most of the defined criteria. For *employees who are still developing* in their role, their performance clearly exceeds most expectations for someone of their experience level.

FS = Fully Successful – This category is used for *experienced employees* who consistently meet the standard set for their job. They substantially meet most/all of the defined criteria at a proficient level. For *employees who are still developing* in their role, they are progressing towards the job standard at fully satisfactory pace.

NI = Satisfactory/Needs Improvement – This category is used for *experienced employees* who need to demonstrate some improvement to meet the standard set for their job. While they meet some of the defined criteria at a fully satisfactory level, several important requirements are not being demonstrated at a fully proficient level. For *employees who are still developing*, this rating indicates that progress is somewhat slower in several important areas than what is expected of someone of their experience level. In either case, a plan needs to be put in place that identifies specific areas where improvement are required, and sets out a course of action for the employee to support them in their efforts.

U = Clearly Unsatisfactory – This category is used for *experienced employees* who are clearly not meeting the standard set for their job. Few if any criteria are being demonstrated at a proficient level and their attitude clearly indicates a lack of interest in improving their performance. For *employees who are still developing*, their progress in acquiring the key criteria necessary for proficiency is well below what is expected of someone of their experience level. Their attitude also indicates a lack of interest in improving their performance. This category is typically used only after attempts to improve performance have been unsuccessful.

[1] Rating level definitions have been modified from earlier versions of the Administrative Guidelines.

The following guidelines are recommended for the **2009/2010** performance cycle[2] [3]:

Superior = earns a 4% to 6% merit increase, not to exceed the Maximum of the range. Any overage is paid out as a one-time lump sum payment for this performance cycle.

Fully Satisfactory = earns a 2% to 4% merit increase, not to exceed the Maximum of the range. Any overage is paid out as a one-time lump sum payment for this performance cycle.

Satisfactory/Needs Improvement = earns 0% to 2% not to exceed the maximum of the range.

Clearly Unsatisfactory = no increase in base pay. Compa-ratio (position in range) will drop.

4. Annual Exceptional Performance Incentive

Once employees reach the Maximum of the range, they are eligible for an annual exceptional performance incentive award linked to achievement of challenging goals designed to "stretch" performance to higher levels.

The amount of the incentive varies by level, ranging from:

- Up to 4% for bands 5 through 8
- Up to 7% for bands 9 through 11
- Up to 10% for bands 12 through 14
- Up to 15% for bands 15 through 17 – this represents an increase of 5% in the maximum EPI opportunity and reflects trends in the broader public sector for Vice President Levels.

The amount of the payout opportunity is flexible to recognize that employees may achieve some but not all key performance goals. Each college can establish their own internal policies/guidelines regarding the apportioning of payouts for various levels of exceptional achievement, subject to ability to pay.

The amount of the exceptional incentive can vary from year to year, based on performance, since the goals should be challenging in relation to each employee's position and grade level.

Team-based goals are also eligible for the exceptional performance incentive, and work much the same as individual goals except that they apply to all members of the team equally.

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[2] : individual colleges may have a formal compensation policy that articulates how long it will typically take an employee to reach the range maximum, assuming they are hired at/around range minimum and based on fully satisfactory performance. These guidelines may require adjustment to align with such a policy. For non-union employees in the broader public sector, the typical timeframe for progression through the range is 4 to 7 years.

[3] : merit increases are in addition to any economic adjustment applied to the 2009/2010 salary ranges, as recommended by the Colleges Compensation Committee.

Under this kind of incentive program, there are typically no formal guidelines that control the percentage of individuals who are eligible for an exceptional performance incentive. If the goals set for employees/teams are appropriately challenging, the range of payouts will naturally vary based on different levels of accomplishment. If many eligible employees fully achieve their performance goals and receive the maximum percentage incentive for their grade level, this may indicate that the goals are not sufficiently challenging to stretch performance and are not truly indicative of exceptional performance. If very few eligible employees achieve any of their performance goals, this may indicate that the goals are not realistic and the expectations for "exceptional" are not achievable.

5. Recruiting and Promoting Administrative Staff

The base salary ranges have been designed to assist colleges in recruiting new employees by providing competitive compensation levels in both the provincial and local job markets. A number of new salary administration practices have been added to the guidelines to assist colleges, as needed and in consultation with Human Resources, in effectively managing compensation for Administrative Staff.

New Hires

Under normal circumstances, starting salaries should fall between the range Minimum and 90% of the base salary range. However, market skill shortages or other recruitment challenges may require that colleges implement a local policy that will provide them with sufficient flexibility to respond to these challenges.

Internal Promotions/Reclassifications

When a college promotes an employee into a position having a higher base salary range, the employee's adjusted base salary should reflect either the Minimum rate of the new base salary range or **up to a maximum of 8%** above his/her current base salary, whichever is greater.

Employees whose jobs are reclassified to a higher level through the college's job evaluation process should receive a base salary adjustment to the Minimum rate of the new base salary range or **up to a maximum of 8%** above his/her current base salary, **whichever is greater** and assuming satisfactory performance of the duties/requirements of the reclassified job. The amount of the increase should reflect the extent of the changes in job requirements that resulted in the upward reclassification.

Special Assignment/Acting Pay

When a college temporarily assigns an employee to another position that has a higher base salary range than his/her current position for a significant duration (at least one month or more), the college should pay the employee within the higher base salary range, based upon the same promotional increase amount described above (Minimum of the new range or up to 8%, whichever is greater), for the duration of the temporary assignment. Temporary assignments of less than a month should not normally impact base pay.

In situations where employees temporarily assume the duties/responsibilities of another position that is within the same base salary range, the Lateral Job Growth practices should be applied for the duration of the assignment.

Lateral Job Growth

a. Added Responsibility

In situations where a job has clearly been given more responsibility (e.g. staff supervision) but where the revised ratings under the CAAT Job Evaluation System do not result in a hierarchical increase, consideration can be given to a special lateral adjustment. In consultation with Human Resources, employees are eligible to receive **up to 5% increase to base salary** and are eligible (over time) to progress **up to 5% above the range Maximum.**

b. Added Expertise

This practice can be applied to employees who continue to develop their job expertise in order to stay current within an evolving field, through formal training, additional certification and/or achievement of professional designations that are not mandatory for their position. Such added expertise does not impact the current payband of the job, must directly relate to the job being performed and must demonstrably increase the employee's ability to take on more challenging assignments. This practice does not apply to additional training an employee may from time to time receive for purposes of orientation to new programs/tools, general career development and/or future promotional opportunities.

In consultation with Human Resources, employees are eligible to **receive up to 5% increase to their base salary** and are eligible (over time) to progress **up to 5% above the range Maximum.**

Added Responsibility Pay

This practice can be applied when employees assume additional responsibilities, above and beyond the requirements of their own job, on a temporary basis, typically to alleviate a short term operational need. The following criteria are suggested:

- The duration of the assignment is for a period of up to 12 months;
- The employee is responsible for specific deliverables in addition to the core requirements of their job
- The assignment is not merely intended to cover increases in workload
- Additional skill, effort or responsibility is required beyond the current job

In consultation with Human Resources, employees are eligible to receive a premium of **up to 8%** for the duration of the Added Responsibility assignment. In determining the amount of the premium, consideration should be given as to whether the added responsibilities are at the same or a higher level relative to the employee's current payband.

Underfilling

Under normal circumstances, no employee should be paid below the Minimum of their salary range. There are two exceptions to this rule, as follows:

- An employee is promoted internally to a higher level position; while they do not currently meet all the entry qualifications, he/she shows the potential to develop these within the near term and is being given this developmental opportunity. (note: this can also be applied to external hires).

- An employee's job is classified to a higher level through re-structuring, but he/she has not yet acquired the necessary knowledge/ability to assume some/all of the higher level responsibilities. However, it is expected that with specific coaching/training they have the potential to acquire these within the near term.

The typical practice for underfilling is to administer salary one pay grade lower than the job in question. The start rate within the underfilled salary range should be determined in consideration of the employee's current salary and/or experience level. As with promotions, the employee is eligible to receive a salary increase of up to 8% or the minimum of the underfilled range, whichever is greater.

Underfills are normally for a period of 12 to 24 months and should be accompanied by a development plan that clearly sets out the requirements for removal of the underfill. During the underfill period, employees are eligible to receive economic and merit adjustments within the lower salary range, based on performance.

Upon removal of the underfill, the employee moves into the salary range for the position in question. While normal promotional practices do not apply, the employee should be positioned at least at the minimum of their new range and consideration may be given to a merit increase depending on the timing of the removal.

6. Salaries that Exceed Maximum of the Salary Range

Employees having a salary rate that is greater than the maximum of the salary range will have their annual salary "half circled" until such time that the maximum base salary rate increases sufficiently to include their actual salary rate. When a general increase is granted to the base salary range, the employee shall be eligible for a salary increase equal to one half of that general increase, assuming the employee is performing at a satisfactory level.

Employees with half-circled salaries are still eligible for the annual exceptional performance incentive up to the Maximum Base + EPI amounts included in the salary grid at the beginning of these guidelines.

7. Short Service

Short service applies to employees who are hired partway through the year or who take an unpaid leave of absence. Compensation awards (either base pay increase or exceptional lump sum awards) should be prorated to reflect the period of active employment. If practical, a modified Performance Agreement should be developed to reflect the active portion of the compensation year.

As a general guide, on the next April 1st following date of hire (and assuming fully satisfactory performance):

- Employees hired in the 1st quarter are eligible for a full merit adjustment;
- Employees hired in the 2nd quarter are eligible for 2/3 of the merit adjustment;

- Employees hired in the 3rd quarter are eligible for 1/3 of the merit adjustment;
- Employees hired in the 4th quarter are not eligible for a merit increase until the second April 1st following date of hire.

In addition to any merit entitlements, all employees receive the economic portion of the adjustment on the next April 1st to ensure they do not fall below the range minimum and that they maintain position in the range (assuming satisfactory performance).

In cases of a 4th quarter hire, when establishing the starting salary consideration can be given to the fact that the next April 1st salary increase is limited to only what is required to maintain the employee at the minimum of the range and that further increases will not occur until the second April 1st following the date of hire.

8. Pensionable Earnings

Base salary and annual exceptional performance incentives are pensionable earnings.

9. Minimum Differential Policy For Chairs

Depending on the outcome of Academic Collective Bargaining, the differential between a Payband 12 Chair and the Step 2 Coordinator may drop to a level where compression becomes a recruitment/retention problem. It is recommended that Colleges:

- Re-visit the job requirements for payband 12 Academic Chairs to ensure they adequately capture current responsibilities and complexities. Revised jobs should be put through the job evaluation maintenance process to determine whether a payband level increase is warranted. If so, classification to the higher payband will eliminate compression problems between maximum base salaries.
- Maintain a "minimum differential policy" specifying that Chairs should be paid a **base salary** that is at least 13% above the Step 2 Coordinator rate (where applicable). This differential reflects the percentage difference between Payband 11 and Payband 12 Maximums of the Administrative grid, and represents the minimally acceptable differential in compensation that should be maintained. EPI, where earned, is paid out separately as a lump sum and is based on the Payband 12 Maximum, **not** the adjusted base pay. Colleges will need to determine locally how they will administer the top up, e.g. added to base pay, paid out monthly/quarterly/annually as a lump sum.

  <u>Example</u>

  Payband 12 Maximum April 1, 2009 is $104,636. To maintain a 13% differential above Step 2 Coordinator ($101,623), a Chair's base pay would be increased to $114,834 (at maximum). If EPI is earned, the percentage payout would be calculated on the maximum of Payband 12 ($104,636), not the topped up salary.

10. Job Evaluation and Pay Equity Maintenance

Process Guidelines for colleges to adapt to local circumstances. See Appendix I.

11. Identifying and Addressing Compensation Pressures with Market Sensitive and Other Mission Critical Jobs

Salary administration Guidelines for addressing recruitment/retention issues resulting from market conditions. See Appendix II.

APPENDIX I

JOB EVALUATION AND PAY EQUITY MAINTENANCE

It is recommended that all Job Evaluation and Pay Equity Maintenance processes and policies should be documented, for consistency, and communicated to Administrative Staff.

1. New Jobs

When a new job is created, it needs to be classified within the existing CAAT Payband structure to ensure that internal and pay equity are maintained. Often this is based on limited information (such as a job posting). The following process is suggested for the preliminary classification (typically by HR):

- Obtain the job posting and any other information available about the requirements of the new job.
- Look for comparables within the immediate unit or team; speak to the originating manager to get their view on where the job should fit within their reporting structure
- Review the reference manual for the most appropriate functional stream and compare the job in question to available reference jobs; refer to Payband profiles for comparable requirements.
- Based on this preliminary assessment, select the Payband that is most appropriate on an interim basis, subject to finalization through a full job evaluation review.
- A general rule is to be conservative in the Payband assignment, particularly if details related to complexity and accountability have not been fully determined. Preliminary Payband/salary range assignment can always be posted as "Under Review" if there are concerns that the initial Payband assignment may be too low.
- After the position has been filled for 6 – 8 months, a Job Fact Sheet Questionnaire should be completed by employee and reviewed/finalized as per the college's formal sign-off process. The job is then forwarded for review using the college's established job evaluation process.
- If the position requires an increase in Payband, the higher Payband should take effect on:
    i. The date of hire, if the job was underrated based on initial information and there has been no substantive change from the requirements outlined on the posting document; or,
    ii. The date that any additional requirements were added to the job and where these additional expectations resulted in the higher paygrade classification.
- Adjustments in compensation may be necessary and would be retroactive to the date as determined in i. and ii. above.

2. Revised Jobs

When an existing job is modified such that the changes are deemed to be an **increase in expectations**, a job evaluation review should be initiated according to the college's established process. Criteria for determining when there is an increase in expectations:

- One or more Key Duties are **added** to the job or existing Key Duties are expanded, and/or
- The Education/Experience requirements are **upgraded**, and
- The **complexity** of the job increases as a result of these changes.

The following process is suggested for the job evaluation review:

- The current Job Fact Sheet Questionnaire should be updated by the employee to reflect changes in duties and job requirements, and reviewed/finalized as per the college's formal sign-off process.
- It is helpful to attach a cover sheet to the updated JFS summarizing the key changes in the job and explaining the circumstances under which the changes occurred.
- The revised job is then forwarded for review using the college's established job evaluation process. The rater or rating committee should access the job evaluation system tools, including ratings for other Administrative jobs.
- The focus of the maintenance review should be on **what has changed** since the last/original evaluation, and do these changes impact the rating on any of the factors? This is key to the job evaluation maintenance because:
    - The rationale for the original evaluation may be lost over time. Even if the rater/rating committee does not understand the rationale, care should be taken with respect to changing ratings unless something material has changed in the job requirements, or to ensure internal consistency.
    - Otherwise, the job may be downgraded or upgraded despite the fact that there has been <u>no real change</u> and this can compromise the integrity of the internal relativity between jobs that has been established in the past.

When an existing job is modified such that the changes are deemed to be a decrease in expectations, a job evaluation review normally occurs when that job becomes vacant. Before the job is posted, the decrease in expectations should be documented and a similar job evaluation review conducted as describe above.

3. Suggested Job Evaluation Processes

There are a number of ways to implement an ongoing job evaluation maintenance program. There are essentially three alternatives for consideration:

I. Dedicated HR Specialist

- An HR specialist assumes responsibility for undertaking all Administrative evaluations, typically working with the originating manager on new jobs and in consultation with employees/managers on revised jobs.
- Evaluations will need to be approved before implementation; this can be done internally within HR or via another mechanism acceptable to the college, e.g. senior management endorsement.

II. Representative Employee Rating Committee

- An employee committee assumes responsibility for all new jobs (beyond the interim stage) and revised jobs. HR can be a member of the committee, and/or serve as its facilitator, but should always have a voice in the final outcome. The committee normally operates under a consensus model, with various terms of reference regarding conflict of interest and settlement of disagreements.
- An employee committee is sometimes given the authority to finalize evaluations; however, the more prudent approach is that the recommendation of the employee committee is forwarded to a final authority, which reserves the right to request clarification/reconsideration from the committee.

III. Employee Review Committee

- A combination of I and II above, whereby an HR specialist conducts the detailed rating and presents results to a review committee who looks at overall fit within and across departments. Issues/concerns are followed up by the HR Specialist, until the committee reaches a consensus of the appropriate classification.
- As above, the committee's authority is often best restricted to making a recommendation unless members of the committee are senior enough to assume this mandate or this additional level of approval unnecessarily impedes the process.

Regardless of the job evaluation process that is adopted, it is recommended that the college also have and communicate a "reconsideration process" as described on the next page.

4. Reconsideration Process

The objective of a reconsideration process is to provide an employee and/or their manager an opportunity to request that the job evaluation results be reviewed if:

i. Information about the job was overlooked or under-described in the Job Fact Sheet Questionnaire, and/or

ii. The substance of specific information does not appear to be captured in the evaluation ratings, and

iii. As a result of i. and/or ii., there is reason to believe one or more of the factor ratings are potentially affected.

The objective of a reconsideration process **is not** to provide an employee and/or their manager an opportunity to second guess the rating process, nor to challenge the interpretation of the job evaluation plan, nor to base the request on comparison to another job(s) falling at a higher level.

The request for reconsideration should be documented (a sample form is contained under the secure link on Council's website) to highlight the specific aspects about the job that need to be reviewed. This is sometimes supplemented by a brief presentation to the rater(s) by the employee and/or their manager.

In the event that a manager does not support their employee's request for reconsideration, they should provide explanatory comments and attach these to the employee's request. Rater(s) may also wish to speak with the manager (as well as the employee) in the event that there are differences of opinion.

Should the reconsideration process result in a different outcome than the original evaluation, any adjustments should be retroactive to the date of the original evaluation.

5. Annual Pay Equity Audit

Pay Equity legislation requires that employers ensure their compensation programs are compliant with the Act. The process for doing so is not prescribed, and each employer can establish their own practices.

Pay Equity maintenance involves ensuring that:

- New or revised jobs are evaluated to determine their appropriate placement on the salary grid, and are supported by current job information. Employees in female jobs should be paid according to the same salary range as male jobs of comparable value;
- The principles of gender neutrality are maintained in the design and administration of the salary grid, and that no practices are implemented that would have the effect of widening the wage gap or introducing discrimination in pay on the basis of gender.

An annual paper audit of job evaluation and compensation activity occurring in the previous year/cycle is an effective way of ensuring compliance with pay equity, identifying any trends that may discriminate on the basis of gender and taking immediate remedial action.

APPENDIX II

SALARY ADMINISTRATION POLICY FOR IDENTIFYING MARKET SENSITIVE OR OTHER MISSION CRITICAL JOBS AND ADDRESSING RELATED COMPENSATION PRESSURES

A market sensitive or mission critical job can be said to exist where at least several of the following conditions exist:

- There is difficulty retaining qualified employees due to significantly higher compensation offered by other organizations for comparable work;
- There is difficulty recruiting qualified employees due to the compensation being offered, and multiple postings/recruitment initiatives are required before attracting any potentially suitable candidates;
- External market data for the position is consistently higher than what the college is offering (i.e. in excess of 10% above Maximum rates);
- The candidates who apply for a posted position are consistently more junior/less experienced than the job requires and significant time/effort/resources must be committed to providing training to the selected candidate;
- The individual who accepts the position is not within the group of top preferred candidates;
- Employees in specific jobs are consistently recruited by higher paying external organizations seeking to acquire the same expertise that is mission critical to their business.

When a job has been defined as market sensitive or mission critical, the following compensation options can be accessed:

1. First, make sure that the job has been appropriately evaluated under the CAAT Job Evaluation System; reclassification may eliminate the problem, provided it is warranted based on job content and consistency with other jobs.
2. Classify the job at the applicable Payband based on job evaluation results (to preserve internal equity), but administer pay **one salary grade higher** (where market data indicates this is the competitive salary range). This approach works best when the market sensitivity is likely to be enduring rather than short term in nature. Appropriate documentation should be maintained explaining the special pay treatment. Should the market sensitivity correct itself, the normal practice for addressing incumbents' compensation is to apply the half-circling provisions as described under section 6 of the Administrative Compensation Guidelines, until such time as the incumbent vacates the position.
3. Classify and administer salary at the applicable Payband based on job evaluation results, and pay a lump sum market adjustment that is pensionable but not added to base pay. The amount of the market adjustment will depend on available data, and can be paid out in defined increments (e.g. quarterly) or by pay period. As above, appropriate documentation should be maintained. Should the market sensitivity correct itself, the lump sum adjustments would be discontinued but there would be no impact on base salary.