OCASA 2008 AGM

Introduction to the CAAT Job Evaluation System, Compensation Program and Completion of the JFS Questionnaire

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Agenda

- Job Evaluation - General Overview

- CAAT Job Evaluation System

- CAAT Compensation Program

- Completing the JFS Questionnaire

What Is Job Evaluation?

- A tool and process for identifying the relative ranking of jobs in an organization

- Based on a defined set of measures used to assess characteristics of work the organization wishes to value and pay for (compensable factors)

- Considers job content, job requirements and accountabilities assuming the employee is fully proficient

What Is Job Evaluation?

| Job F |
| Job E |
| Job D |
| Job C |
| Job B |
| Job A |
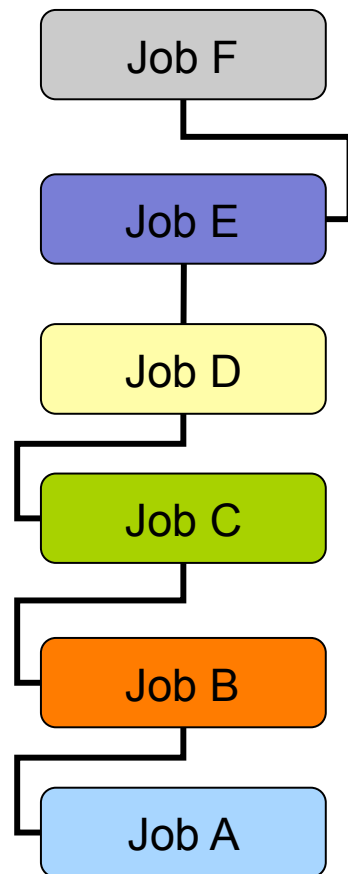
- Relative ranking based on specific measures

- Considers job content as defined by the organization

What Is Job Evaluation?

- Addresses the legislated criteria of Skill, Effort, Responsibility and Working Conditions

- Basis for determining how jobs group into levels or pay bands

- Provides the means for establishing internal equity , ensuring ongoing pay equity maintenance, and linking job value to pay.

What Is Job Evaluation?
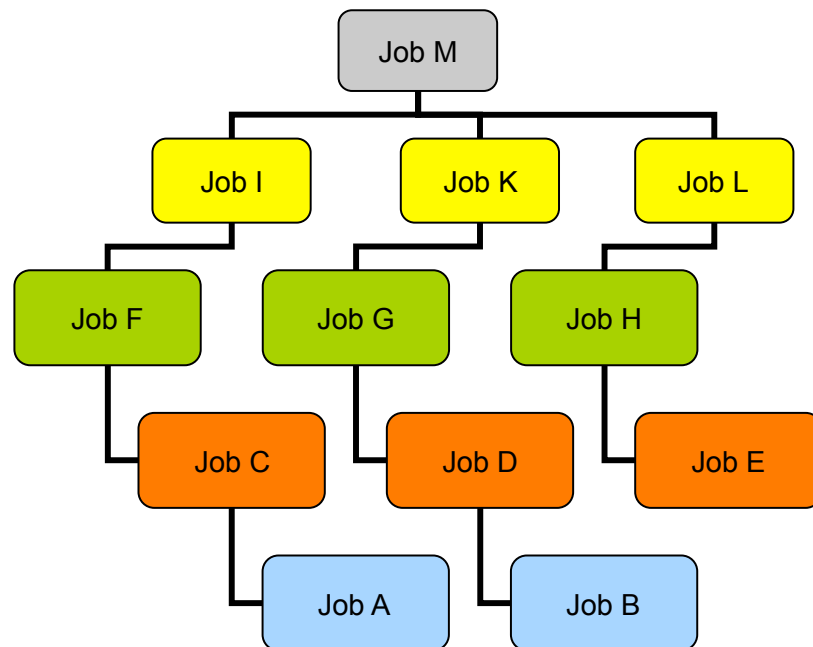
- Job evaluation provides a rational basis for grouping jobs into levels of work
- Achieving internal equity is the ultimate goal

What Is Job Evaluation?

- **"Internal equity"** embodies the principle of equal pay for work of equal value

- **All jobs within a defined level are deemed to be substantially equal and should be paid the same or have the same salary range**

- **"Substantially equal" means that there may be some differences in the level of knowledge, skills and responsibilities, but these are not significant on an overall basis**

What Is Pay Equity?

- "**Pay equity**" embodies the principle of **gender neutrality** and is said to exist when the wage rates for female jobs are the same as the wage rates for male jobs where the work performed is of the same value

- Pay Equity legislation introduced effective January 1st, 1990 has changed the way we look at job evaluation and has created formal requirements in terms of program design

What Is Pay Equity?

- **Fundamental principle of compensation program design requires employers to ensure their pay programs do not discriminate on the basis of gender**

- **Characteristics of work found in both male and female work are visible during data collection and job evaluation, and that values attached to these characteristics are not biased**

What Job Evaluation Is Not?

- **A methodology for assessing individual performance/contribution**

- **A tool for developing salary ranges or assessing market competitiveness**

- **An assessment of every aspect of work**

- **An exact science!**
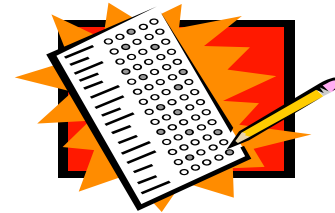
How Do Factor Point-Rating Plans Work?

- **Each measure or compensable factor is comprised of a series of levels in a scale**

- **Levels summarize progressive degrees of the characteristic being measured**

- **Jobs are evaluated by comparing specific requirements against each measure, and selecting the level which most closely describes what the job involves (the principle of "best fit")**

How Do Factor Point-Rating Plans Work?

- **Factors are weighted to reflect their contribution to overall job value**

- **Factor weights should align with organization values and support principles of gender neutrality**

- **Designed to quantify each job so a total point score can be obtained**

- **Total points assign a job to a grade. All jobs within a grade are considered equal, with point bands set to take into consideration what is the acceptable "range of equal"**

CAAT Job Evaluation System

- **Sections:**

  - Job Evaluation Guidelines
  - Job Evaluation Manual
  - Job Fact Sheet Questionnaire
  - Reference Jobs
  - System Reports
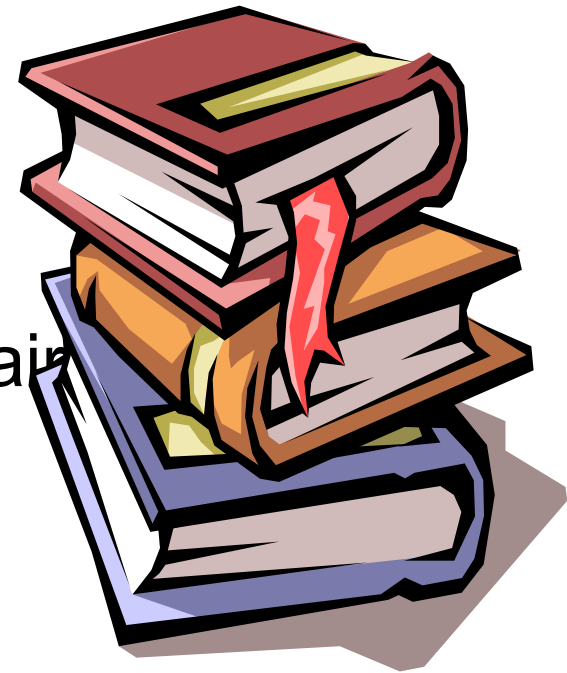
Job Fact Sheet Questionnaire

- **Instrument for gathering information about a position**

- **Reflects factors in CAAT Job Evaluation Manual**

- **Used by College to evaluate the level of the position compared to all other non-bargaining unit positions**

- **Also used as a job description and for performance assessment**

- **We will do a more detailed walk-through of the JFS to discuss the specific information requirements**

Factors in the CAAT Plan

Complexity – Judgement (15%)

- **Complexity**: variety and relative difficulty of comprehending and critically analyzing material, information, situations, processes for decision making

- **Judgement**: process of identifying and reviewing options involved in decision making (application of education and experience)

Factors in the CAAT Plan

- **Education (15%)**

  - **Minimum level of formal education/ training or equivalent required to perform the position**

  - **At point of hire (as if position were vacant)**

  - **Completed by the college according to college recruitment standards**

Factors in the CAAT Plan

- **Experience (12.5%)**

  - **Amount of related, progressive work experience required to obtain the essential techniques, skills, abilities to fulfill the job requirements**

  - **At point of hire (as if position were vacant)**

  - **Completed by the college according to college recruitment standards**

Factors in the CAAT Plan

- **Initiative (11%)**

    - **Measures level of responsibility and degree of freedom to act/take initiative expected in job**

    - **Measures amount of direction and control placed on actions of incumbent**

    - **Level of creativity, entrepreneurial activity expected in the job**

Factors in the CAAT Plan

- **Impact of Decisions (10%)**

  - **Negative indicator – Murphy's law factor – what could go wrong despite best efforts**

  - **Measures potential impact or consequences associated with errors in judgement (despite due care)**

Factors in the CAAT Plan

- **Contacts and Working Relationships (12.5%)**

  - Measures **types**, **importance** and intended **outcomes** of contacts and working relationships

  - Increasing **level of difficulty** of communication skills, problem solving with others, influencing

 - Think of level of contact last, not first

Factors in the CAAT Plan

- **Character of Supervision (10%) & Span of Control (6%)**

  - **Degree** and **type** of supervisory responsibility

  - **Recognizes line management responsibilities** plus **number of FTE** reports

  - **Recognizes expert advisor/internal consultant** responsibilities

  - **Recognizes responsibility for service contracts**

Factors in the CAAT Plan

- **Physical/Sensory Demands (4%) & Working Conditions (4%)**
    - Management positions are usually more **sensory** (some exceptions)
    - **Level of strain** on the senses – mainly visual
    - **Level of concentration** and amount of sustained time spent on writing/ reading detailed work/reports
    - **Working conditions** – frequent travel
    - Both inherent in the position
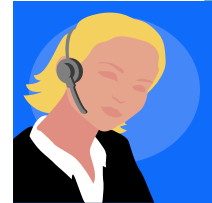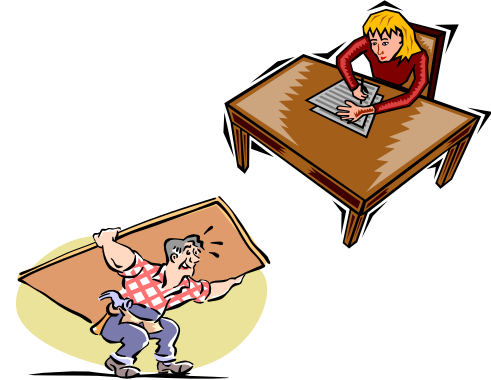
The Compensation Program

The Compensation Program

- **The current grade level structure goes back to 1997 resulting from a pay equity order to replace the Hay program. Information from across the college system was compiled in developing the salary ranges**

- **A new Compensation Strategy was developed that established the guiding principles for program design. These included an "at risk" portion of base pay that had to be re-earned through "fully successful performance"**

The Compensation Program

- **The maximum of the range (100%) was designed to lag market, but at FSP the rate was designed to be competitive.**

- **For jobs in grades 5 through 10, there was no "at risk" pay and the maximum of the range (100%) was set at the median of the market. One of the main reasons for not putting any pay at risk at these levels had to do with their relativity of unionized counterparts**

The Compensation Program

CASH COMPENSATION
Proposed Design Features

Incentive

Cash Compensation
at Expected Level

Cash Compensation
for Exceptional

Salary Job Rate
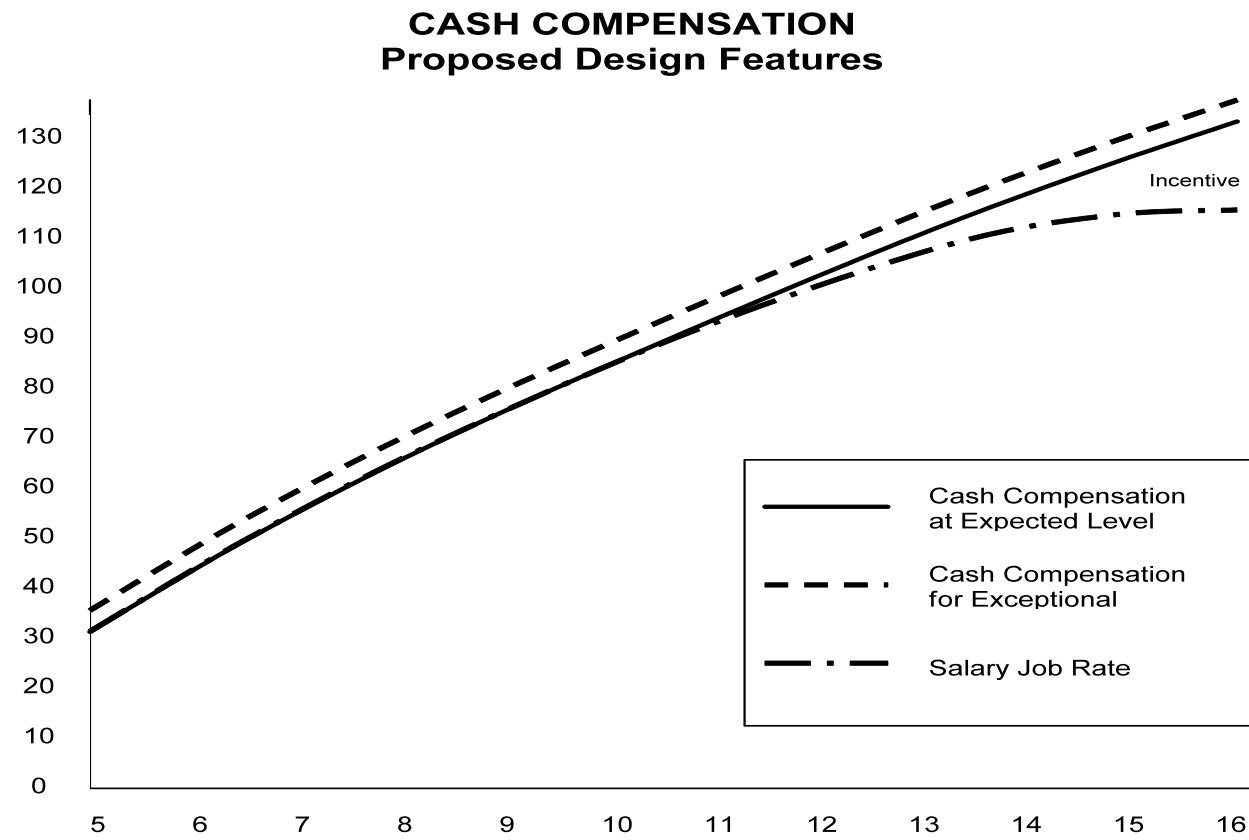
The Compensation Program

- **For all levels there was an additional re-earnable opportunity linked to exceptional performance, the % available depended on the level.**

- **In 1999, the new program was finally approved by the Minister, with some changes including eliminating any re-earnable below band 11. The compensation levels were based on 97/98 market data without any adjustment**

- **In 2001, 2003 and 2005, program changes were introduced based on:**

  - **Market Scan – comparative pay practices in the broader public sector**

  - **Internal Scan – base pay demographics across the system**

The Compensation Program

Market Scan

- Based on a combination of published surveys and customized client surveys, e.g. Board of Trade, Mercer, Towers Perrin, OPS, Regional Municipalities, School Boards, Not-for-Profits, hospital sector, university data

- The focus of the market scan was to gather as much broader public sector data as possible spanning the range of Administrative jobs

- Based on the compilation of data, a trend analysis was conducted to establish what the competitive "middle of the market" rate was for each CAAT payband.

The Compensation Program

Internal Scan

- Consisted of an analysis of the distribution of actual 1999 base salaries within the existing base salary ranges and par-for-performance ranges

- Also looked at the relationship between various CAAT paybands and unionized salary grades

- A number of colleges also expressed concern about the lack of re-earnable pay below band 11.

The Compensation Program

- In 2001 and 2003, program changes were introduced based on the market/internal scans.
  - "At-risk" pay was introduced for bands 5 through 10
  - Changes were made to the re-earnable incentives for bands 11 through 16, and for Presidents
- In 2004 a custom market survey was conducted, again focusing on the broader public sector. At the completion of the review, a number of recommendations were made including that consideration be given to eliminating the "at risk" component given the lack of these type of compensation programs in the broader public sector

The Compensation Program

- In 2006, a significant change was recommended and subsequently endorsed by the College Compensation Committee

- For all paybands, the re-earnable at-risk portion of base pay was rolled into the salary range, and the FSP rate became the new range maximum

- There were a number of compelling reasons for this change; first, that the range maximums were not competitive, and second that the at-risk portion of pay was not necessarily being paid out consistently for fully successful performance

- Although it appeared that the ranges increased substantially, in fact the competitive FSP rate was only increased by 3%.

The Compensation Program

- **Effective April 1, 2006, Colleges began the process of transitioning to the new structure. This process varied by college but it is expected that by now Colleges have made the transition**

- **Another market scan was conducted in late 2007/early 2008, and recommendations for changes to the Administrative Compensation Guidelines for 2008/2009 were recently endorsed by the College Compensation Committee**

- **The new salary grid was implemented effective April 1, 2008, with an across the board 3% adjustment to the ranges No major program changes were recommended but a number of new salary administration policies were included in the guidelines to assist colleges in managing their ongoing compensation needs for Administrative Staff.**

Completing the JFS Questionnaire

General Tips

- **Focus on current and ongoing job requirements**

- **Avoid examples or explanations of highly unusual situations that are not typical of what would be expected of an experienced employee in the job**

- **Keep explanations straightforward and try to keep technical terminology to a minimum.**

- **Spell out acronyms or other abbreviations.**

General Tips

- **Explanations should be detailed enough to clearly describe what the job requires <u>without</u> getting into a minute explanation of how work is actually carried out**

- **Sometimes too much information is as difficult to work with as too little.**

Position Summary

- **An overall statement that captures the role of the job for delivering programs/services within the unit, to internal or external clients of the College**

- **It should summarize the key duties, and highlight the most significant accountabilities.**

- **It should answer the question "why does this job exist?"**

- **It is sometimes easier to prepare an overall purpose statement after the Key Duties have been prepared.**

Purpose Summary

Examples:

- Responsible for the management of College funds and for the development, implementation and maintenance of College financial services, bookstore operations and telephone service. Also accountable for the planning, acquisition and implementation of administrative computing systems.

- Accountable for providing a range of human resources functions that support the College's strategic plan for providing assistance and direction regarding effective human resources management in the areas of employee relations, labour relations, recruitment and selection.

Key Duties

- **Key duties describe the major responsibility areas of the job, focusing on results or deliverables**

- **Key duties can be broken down further into a summary of what each major responsibility area involves (key steps or activities performed). You <u>do not</u> need to include every task that is carried out.**

- **To help you get started, list the major responsibilities in your job – arranged either from those that are most important to those that are least important OR from those that you spend the most time on to those you spend the least.**

Key Duties

- Percentage of Time, if required by your college, should be at the **key duty/major responsibility area**. It is not necessary to assign percentages to the key steps or activities comprising the responsibility.

- In total, most jobs have **up to five** key responsibility areas, with these broken down into major activities/ outputs.

- If you find you are describing many more Key Duties, it may be that what you are really describing are key activities. Sometimes it is helpful to group these into **broader categories** to avoid duplication. However, this <u>will not</u> affect the evaluation of your job if the information is complete

Key Duties

Example: Consultant

1. **Develop and present proposals to secure new consulting contracts**
   - Assess requirements of the Request for Proposal to determine if the firm will respond
   - Research background of organization to review strategic plans, mission/value statements, organization structure, etc.
   - Attend bidders' meetings and/or identify specific questions related to RFP
   - Develop project scope and proposed approach; prepare project plan details, including options where appropriate
   - Prepare project costing based on resourcing and person hours per key activity
   - Develop and deliver proposal presentation to selection committee

2. **Oversee design and implementation of new Job Evaluation and Compensation Systems**

3. **Provide ongoing client service**

4. **Ensure practice administration requirements are maintained**

Complexity – Judgement (Decision-Making)

- **This can be a difficult question to answer because it focuses on complexity of thinking/decision-making in the job. Try to think of activities in your job that require analyzing, identifying, assessing, problem-solving, diagnosing, creating, customizing, etc.**

- <u>**First**</u>**, describe that nature of the decision to be made (or problem to solve, or issue to respond to)**

  - **Develop a new performance assessment form for Administrative Staff**

- <u>**Second**</u>**, is the decision/problem/issue in response to an immediate need or aimed at achieving short-medium-long term objectives?**

  - **to meet a key objective defined in the HR annual business plan to implement an enhanced performance management program**

Complexity – Judgement (Decision-Making)

- **Third, describe the scope of the issue, what do you need to take into consideration, are the issues difficult to define,**
  - What are the components of the performance assessment program? Who needs to be consulted as part of the developmental process? What is the best way of accomplishing this? What is the timeline for producing a draft document? How will it be tested? …

- **Finally, what options are available to assist in the process? Do you have to develop new or revised approaches?**
  - Refer to existing form and performance management program guidelines. Gather best practice information through online search. Contact colleagues in other Colleges to share information about what works/doesn't work. Consult with program managers. Modify current form based on consolidated input from all sources.

Education

- This is the **minimum level** of formal education, training or equivalent that is required at **point of hire.**

- Education requirements are established by the College, and **may be different** than what an employee personally brings to the job.

- Point of hire requirements are normally included in the **Job Posting**. If there are mandatory speciality, certification or professional **designations**, these should be noted

- Briefly describe any special skills/training necessary to fulfill the requirements of the job

Experience

- This is the **minimum level** of related, progressive work experience required at **point of hire.**

- Experience requirements are also established by the College, and **may be different** than what an employee personally brings to the job.

- Following the chart, follow-up with a brief description of the **specific experience** typically necessary at point of hire.

Initiative – Independence of Action

- **This measure looks at the responsibility and degree of freedom to initiate/direct activity. There is some relationship between this section and the Complexity question**

- **Briefly describe up to three typical activities/duties that are carried out with relative independence**

- **Then, briefly describe up three typical activities/duties for which supervisory approval or direction is required; briefly describe the nature of approval or direction received.**

- **Finally, summarize the types of policies, procedures, manuals, systems, etc. that you can be referenced in making decisions. The focus here is to determine the types of tools available to assist employees in their work.**

Potential Impact of Decisions

- **What are the probable consequences on others/the College when employees make decisions/take actions that are inherent in their job? We are only interested in the impact of error that can occur despite due care … not errors that occur through carelessness and are which are within the employee's ability to avoid.**

- **Impact can relate to:**

  - **The work of others**
  - **Delays leading to inconvenience**
  - **Damage to equipment**
  - **Credibility/reputation of College**

  - **Monetary costs**
  - **Safety and wellbeing of others**
  - **Employee or business relations**
  - **Legal liability**

- **The key focus is on the direct impact of actions taken/decisions made within an employee's ability to control or influence**

Contacts and Working Relationships

- This measure is broken down in internal and external contacts

- Because there are potentially many people with whom employees interact, it is best to summarize these into type of contact rather than by job title (as indicated on the questionnaire). There may be 100 different "job titles" but these can be collapsed into a specific type of contact

- What is more important is the purpose of the contact – what are you trying to accomplish, and the nature of the contact – what skills must you use to be effective in accomplishing the purpose

- Skills include: spoken and written communications, teamwork, facilitating, motivating, persuading, encouraging, influencing, reconciling, mediating, etc.

Character of Supervision

- Two types of "supervision" are considered here.
    1. "Traditional" supervision through direct/indirect reporting relationships
    2. "Functional" supervision involving provision of advice and direction to other related to one's area of expertise
- Responsibility for contracts for service can also be included here but it is important to describe the nature of the responsibility for these contracted resources.
- If there are defined supervisory responsibilities in a job, whether traditional or functional, there should be at least one major responsibility describing these.

Span of Control

- **This is fairly straightforward. The guidelines in the questionnaire describe how to determine the total number of staff for whom you are responsible, including direct and indirect reports.**

Physical & Sensory Demands

- **These sections should also be fairly straightforward to complete.**

- **Remember, any physical or sensory demands should be directly related to carrying out one or more of your key duties/activities**

- **Examples of physical demands are included on the form, and frequency definitions are provided. If you have to think too hard about physical effort in your job, it probably isn't all that important!**

Physical & Sensory Demands

- For many management positions, the Sensory Demands may be more relevant.

- Examples of different sensory activities are included. While we tend to think primarily of visual sensory effort, don't forget other activities that involve the use of different senses (such as listening or smelling).

- On an overall basis, physical & sensory demands are not going to greatly impact the evaluation of your job so don't spend excessive time in these sections.

Working Conditions

- **This section focuses on environmental conditions that are unpleasant, disagreeable or where there is a potential hazard.**

- **Exposure to such conditions must be directly related to the location or locations in which you work as a function of carrying out ongoing requirements of your job.**

- **Include a brief description of the type of conditions to which you are exposed and the relative frequency of exposure.**

Additional Notes

- **The final section of the document provides space to record any additional information about your job that you have not had an opportunity to describe elsewhere.**

In Summary

- **Job Evaluation is an important human resources program that focuses on establishing and maintaining internal equity within an organization**
- **In terms of process, there are different approaches that may be taken – there is no one "best" way, each organization should determine which process will best serve it's needs**
- **Communication about job evaluation is important so that employees will understand what it is … and what it is not.**
- **Compensation is distinct from job evaluation. Job evaluation should not be the mechanism for solving compensation problems**
- **Job evaluation requires accurate clear information about the requirements of jobs. While this can be somewhat time consuming, it ensures that all jobs will be looked at fairly and on the basis of consistent information.**