

Exempt and Management Compensation Policy

Category: Human Resources

Approval: PVP

Responsibility: Associate Vice-President, Human Resources

Date: May 2006, Last Revised December 2006

Purpose/Reason for Policy:

The compensation program will be applied to all regular exempt and management employees except exempt academic staff and executives.

The compensation program is designed to attract and retain high performing individuals needed to attain our mission, vision, and strategic direction.

The Performance Review process is linked to compensation in order to reward for results that lead to organizational success.

Policy Statement:

Trent will maintain a compensation system which is based on appropriate market comparisons, provides for pay for performance and meets the requirements of pay equity and related legislation. The compensation program and salaries paid to all regular exempt and management staff will be reviewed annually.

PROCEDURES

Communication

The compensation program will be communicated to all eligible employees and they will have access to information about salary ranges, concepts of job evaluation, market pricing, and pay delivery processes.

Roles/Responsibilities

Input on compensation decisions are provided as follows:

- Board of Governors establishes policies governing terms and conditions of employment, including compensation, on the recommendation of the President.
- The President after consultation with the senior management team recommends policies to the Board and is charged with implementing these policies once approved. The Vice Presidents Team sets annual compensation related to budgets and spending for new programs.
- Vice Presidents are responsible for approval of all compensation for individuals within the departments that report to them and for ensuring that communication messages are consistent. VPs also have final authority for "out of policy" compensation actions, after communication with the President.

- Directors/Managers share responsibility for supporting and implementing compensation initiatives and managing performance and compensation for his/her employees.
- Employees are responsible for having an understanding of the compensation system and working with managers to establish performance objectives.
- Job Evaluation Committee is responsible for ensuring the integrity of the process of evaluating positions across the University.
- Human Resources is responsible for translating the philosophy into design and maintaining the basic components of the compensation system. As experts in the field, they provide advice and counsel and share information. Human Resources will also maintain a stewardship role in:
 - Assessing the market competitiveness,
 - Ensuring the comparator groups reflect the needs of the business,
 - Maintaining a fair and equitable job evaluation process,
 - Providing annual administrative processes (e.g. merit increases),
 - Reviewing, designing and communicating all compensation programs.
 - Communication and training of staff and supervisors on this policy.

Job Evaluation

Every position in the management and exempt staff category will be evaluated and the position classified within a job band.

The Joint Job Evaluation Committee will consist of four representatives. The committee will consist of two managers and two exempt staff. All Committee decisions will be by consensus, with three representatives required for quorum. This committee will meet as required.

New Jobs

When a new job is developed, a job questionnaire should be completed by the supervisor and submitted to Human Resources for review.

Substantively Altered Job

An incumbent in a position which has been altered may request a review of the job evaluation based on substantive change of a permanent nature which they believe will change the banding of the position.

A Manager may also request a review of the job evaluation based on a substantive change of a permanent nature, which he/she believes will change the banding of the position.

The party requesting a review will submit, in writing, a description of how the position has changed from the current questionnaire and the potential impact on the job factors, scores and banding. This document will be submitted to Human Resources for review.

The effective date of such change will be the date from the time the request was received in Human Resources.

If the employee is not satisfied with the review, she/he may submit an appeal, in writing, to the appropriate Vice President. The request should indicate the substantive changes in the position.

In compliance with Pay Equity legislation, the Exempt Job Evaluation Committee will meet at least every five years to ensure maintenance of the system.

Job Banding

Jobs will be classified into job bands using the exempt job evaluation system. Positions will be classified into one of the following groups:

- Exempt 1
- Exempt 2
- Exempt 3
- Exempt 4
- Exempt 5
- Senior Management 1
- Senior Management 2
- Management 3
- Management 4
- Management 5
- Management 6

Salary Ranges

Every job band will have a Minimum, Job Rate and Maximum.

The JOB RATE is the rate at which a fully competent incumbent will be compensated. This level of compensation assumes all aspects of the position description are performed. The Job Rate will be established at a level competitive with the average compensation paid to like jobs in the appropriate market survey.

The MINIMUM, is the salary at which an employee meeting the minimum requirements of the position would be compensated. Normally, the minimum will be established at 80% of the Job Rate.

The MAXIMUM is the highest salary normally paid based on exceptional job performance. It is established at 115% of Job Rate.

Wage Surveys

Every year, the Human Resources Department will conduct a salary survey of positions comparable to those in the management and exempt group. The primary survey will be of Ontario Non Doctoral Universities.

The average salary paid in the survey will be used to determine the Job Rate to be paid within each Job Band.

As a check for purposes of Pay Equity, the mid point of the salary paid for each job band will be reviewed as follows:

1. The male dominant jobs will be graphed based on job points and salaries paid.
2. A central tendency line will be drawn to reflect the male wage line.
3. The line will be subdivided into groupings of like jobs. (Bands)

4. The formula for this line will be used to determine the mid point salary for each job band, using the mid points established for the band.
5. Female dominant jobs will be compared with the male line to determine if there are any inequities in keeping with the Pay Equity Legislation.

Salary Determination

Salary paid to an individual is determined by reviewing their salary relative to the Job Rate and their Performance Rating (as determined by the annual performance review).

The salary paid to a new employee will be at the discretion of the hiring manager and the respective VP providing it is in the range of the Minimum to the Job Rate. The salary paid should reflect both the experience and competence of the incumbent as well as salaries paid to other staff within the same job band.

For current employees, any recommendation to pay a salary between the Job Rate and the Maximum must be accompanied by a completed Performance Review detailing those areas in which the incumbent meets or exceeds the normal requirements of the job. Any salary adjustment request must receive approval of the VP.

If a salary is to be paid below Minimum or above Maximum, the VP and the President will review and approve such circumstances.

Annual Wage Adjustment

The annual wage adjustment consists of the following:

- Pay Equity Adjustment: The amount is set annually with a normal range of 2% to 10% with the intent to move the individual to the job rate.
- Market Adjustment: If the competitive market for a position is not properly reflected in the compensation system, a one time market adjustment may be made.
- Across the Board (ATB) Adjustment: Paid to all staff as a cost of living increase. The percentage of ATB may vary between Management and Exempt as management compensation is primarily performance driven.
- Merit Adjustment: Paid to those whose Performance Reviews indicate Excellent or Superior performance over the previous year. Merit at the Superior level may include an additional amount which is discretionary to the Vice President group.
- Additional Considerations:
 - For employees hired less than 12 months but more than 6 months prior to the July 1st increase may be eligible for a pro rated adjustment.
 - All or part of a salary increase may be delayed or withheld based on unsatisfactory work performance.
 - The sum of all wage adjustments must be within the established budget.
 - All salary increases are to base salary.

Special Circumstances

Promotion – A promotion is defined as a change of positions which results in an increase in the individuals job banding. A standard wage increase would be a 5% - 10% increase in base salary, subject to approval by the VP.

Temporary Upgrade - In the event that a job change is a developmental opportunity with extended job responsibilities but does not qualify as a promotion, a stipend (usually 5-10% of base salary) can be arranged for the duration of the assignment.

Compression – As a general guideline, a supervisor's equivalent hourly rate is to be kept to at least a 10% higher rate than those he/she supervises. If this is not the case, a special adjustment may be approved.

Temporary Assigned – An employee who is assigned for a fixed term to a higher position, for example while a higher position is posted and filled, will receive a stipend (usually 5-10% of base salary) during the period of the assignment.

Annual Process

Human Resources will complete the survey of matching positions in Ontario non-doctoral universities each April.

In May, senior management will be provided with a review of the survey results, a proposal for salary range adjustments and options on ATB and merit adjustments.

Managers will complete their performance reviews and submit them to their VP by June 1st. VP's will forward a copy of the review to Human Resources for inclusion in the compensation proposal.

By June 15th, the VP's and the President will meet to review and approve compensation proposals and designate special merit adjustments.

By July 1st, Human Resources will distribute a summary of approved adjustments to each VP for distribution to managers. Managers will meet with staff to review their compensation no later than July 15th. Human Resources will ensure implementation of salary adjustments in payroll.

Contact Officer:

Associate Vice-President, Human Resources

Date for Next Review:

December 2019

Related Policies, Procedures & Guidelines

a) N/A

Policies Superseded by This Policy:

a) N/A