

**In order that compensation levels for individuals not covered by collective agreements are fair, equitable, prudent, and defensible, PSEA will use the principles, objectives, and policy statements that make up the Post-Secondary Compensation Plan Guidelines to coordinate excluded employee compensation. These plan guidelines do not consider the roles of CEO/President amongst the membership.**

## COMPENSATION PRINCIPLES

- 1 Jobs not covered by collective agreements will be compensated in a fair and equitable manner.
- 2 Compensation programs are designed, managed, and communicated in a way that ensures the program is clearly understood by employees and the public while protecting individual personal information. Levels of compensation will be valid, prudent, and defensible to full disclosure, thus ensuring accountability to the public. Levels shall reflect those in an appropriate composite market.
- 3 Compensation programs will support a performance-based organizational culture.
- 4 Differentiation of salary is supported where there are differences in scope of the position within an organization, and/or due to superior individual or team contributions.
- 5 Compensation decisions are objective and based upon clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

## COMPENSATION POLICY OBJECTIVES

Consistent with the above principles, the Post-Secondary excluded compensation plan has the following policy objectives:

- 6 Post-Secondary's compensation plan would address the expectations of governors, employers, employees and the Government. Each institution's Board of Governors is responsible for approving the institution specific compensation philosophy. The executive team is responsible for the day to day oversight and administration of their specific compensation plan. Total compensation programs may be amended from time to time, as determined by the institution, and as approved by the Minister.
- 7 A defensible compensation system responds to broad equity issues. The compensation system recognizes the responsibility of the Post-Secondary sector to establish compensation levels that acknowledge fairness and the public's ability to pay. Total compensation programs are designed and administered in a fiscally responsible manner that ensures that costs are affordable and sustainable over time.
- 8 Compensation levels must be at a level so that Post-Secondary employers can attract, motivate, and retain qualified individuals. Fundamental to this statement is the fact that Post-Secondary compensation practices cannot lead the market. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs within the Post-Secondary Sector.
- 9 Compensation levels must be competitive to control unnecessary levels of turnover.
- 10 Compensation levels will be based on an analysis of internal and external compensation levels. The comparison would consider the type and range of organizations from which Post-Secondary sector employers must recruit and retain highly qualified individuals.
- 11 Internal equity considers the relative scope, responsibilities, and complexities of jobs to ensure that compensation levels are fair and equitable. Market competitiveness is balanced with internal equity to ensure that the relative internal value of work is fairly recognized. This allows an institution the ability to determine the appropriate internal value for specific jobs that may be unique to their institution.
- 12 External equity requires that compensation be relative to a defined comparator group as determined by the Committee on Sectoral Excluded Compensation (CoSEC) and aligned with the institutional compensation philosophy. Comparator groups include organizations where institutions attract qualified employees from and are at risk of losing qualified employees to. The core comparator groups include similar Post-Secondary institutions across Canada, and other public-sector organizations in BC.

- 13 Compensation should reinforce and reward performance. Employers shall establish measurable performance standards. Progression through the salary range shall only occur with a positive performance review.
- 14 Employees' salaries about the control-point can be accessed through situations such as: exceeded expectations, when there are hard to fill positions or the need for geographic cost of living consideration.
- 15 Compensation policies must comply with the requirements of legal obligations by being non-discriminatory in nature.
- 16 Compensation policies and programs must be designed to be efficiently administered. The salary ranges will group jobs of similar value, and common impact and magnitude.

## **COMPENSATION SURVEYS**

- 17 The Post-Secondary Compensation Plan shall be reflective of a representative market that shall be composed of an appropriate mix of employers from which Post-Secondary must attract and retain qualified individuals.
- 18 PSEA may conduct an annual or as required cash compensation survey to ensure appropriate market competitiveness is maintained.
- 19 Job market matches shall be appropriate to the sub-factor and type of position, as illustrated.
- 20 The comparison of compensation shall be to relevant external labor markets. The external markets shall reflect the types of organizations from which Post-Secondary employers must attract and retain individuals. Compensation information will be collected on the basis of job content, not job title.
- 21 PSEA will conduct a total compensation or total rewards survey on a periodic cycle, which will normally be every three years.

## **COMPENSATION REFERENCE RANGES**

- 22 PSEA is responsible to provide Post-Secondary employers with salary reference ranges.
- 23 The reference salary ranges will be based on the 50<sup>th</sup> percentile of the comparator group, with the ability to pay about the 50<sup>th</sup> percentile when appropriate.
- 24 The salary reference ranges will include provisions for an adequate range and spread of salary rates to reflect developmental, job standard, and about standard rates.
- 25 Employers are responsible to establish salary ranges that conform to the reference salary ranges.
- 26 Employers are responsible to administer salaries within the reference salary ranges.
- 27 Circumstances may require employers to establish job rates that exceed the recommended control point. These circumstances typically are the result of supply and demand factors, or unusual or emergent conditions within the organization. Employers, in consultation with PSEA, may establish job rates that exceed the recommended reference rates.
- 28 Employers have full autonomy to place a new staff member where it deems appropriate along the range, up to the control point. Where an employer wants to place an employee about the control point and within the range limits upon hire, the employer with advice PSEA of their rationale for such measure.
- 29 Implementation of the ranges may lead to employees being paid salaries in excess of the recommended salary ranges. Employers should develop a plan to ensure all salaries conform to the reference salary ranges within 18 months or less of implementation.
- 30 If an individual's compensation determined before the adoption of the PSEA plan for exempt compensation is above the upper limit of the applicable compensation range, that individual's compensation shall not be increased until the compensation is below the high point of the range.
- 31 Circumstances may require employers to extend geographic cost of living considerations in determining the final salaries of executive and excluded employees. Employers may include a geographic cost of living component provided the compensation does not exceed the range maximum.
- 32 Circumstances may require employers to address compression or inversion issues between non-contract staff and directly supervised bargaining unit employers. A premium differential of up to 15% of the bargaining unit, top of scale, rate of pay may be established where there is a functional supervisory role, with responsibility and accountability for outcomes. In such circumstances, it is possible that an excluded employee may exceed the range maximum for their job.
- 33 Employers are responsible to develop a plan to ensure salaries that fall below the minimum or exceed the maximum of the recommended ranges conform to the recommended reference salary ranges. It is acknowledged that the salary plans will be phased in over an appropriate time period.

34 PSEA is responsible to coordinate the administration of the compensation reference ranges.

### **ORGANIZATION INFORMATION PROFILE**

35 PSEA is responsible to provide Post-Secondary employers with a copy of the Organizational Information Profile (OIP), instructions on how it's used, and consulting assistance in order to complete and accurately collect the required information.

36 The Post-Secondary employer is responsible to review and complete the questionnaire.

37 A member of the Post-Secondary employers' senior management team is responsible to approve the completed OIP and return the questionnaire to PSEA.

38 PSEA is responsible to review all completed questionnaires for consistency in application and inform the Post-Secondary employer of the final assessment.

39 The Organizational Information Profile collects factual information on Post-Secondary Institutions. In cases of an unresolved dispute on the application of the Organizational Information Plan, PSEA will establish a Review Committee of a representative group of Post-Secondary employers.

### **PERFORMANCE BASED PAY PROGRESSION**

40 Post-Secondary employers recognize that strengthening the linkage between individual performance and organizational performance is a fundamental role for an organization's compensations strategy.

41 Post-Secondary's Salary Reference Ranges are applicable to a system of performance based pay.

42 Progression from the range minimum to the established job rate is based on job proficiency or performance. The established job rate is the rate paid for standard performance.

43 Progression beyond the established job rate is reserved for above standard performance and is considered performance based compensation that should be reserved for the few who truly exceed measurable performance standards.

44 Performance pay programs would include documented objectives with clearly defined and measurable performance criteria outcomes within set time frames.

45 PSEA is responsible to work with Post-Secondary employers to ensure the consistent application of the sectoral guidelines in the development of performance management systems and policies that benefit the Post-Secondary sector.

### **APPLICATION OF STANDARDS**

46 These guidelines are made pursuant to section 4(1)(a) and 5(2)(a) of the Public-Sector Employers' Act. Each employer in the Post-Secondary sector is required to implement these guidelines as part of its human resource management policies and to apply them to employees who are not subject to a collective agreement when:

An employee is hired or a contract of employment is entered into for the first time.

A contract of employment is changes or otherwise renewed, including any changes in compensation subsequent to the approval of these standards.

47 Further links to legislative requirements on compensation and links to helpful informative compensation related information will be maintained by PSEA on their website.