



Regional Health

POLICIES PROCEDURES STANDARDS GUIDELINES

TITLE:	Non Union Compensation	NUMBER:	BD-06
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POLICY:

Pay Rates for Management and Non Union positions will be reviewed annually using the 50th percentile of the 300-499 Bed Hospitals participating in the annual OHA Management Salary Survey as a guideline as described in the attached "*Compensation Policy and Guidelines*".

PROCEDURE

The Chief Human Resources Officer shall establish a well defined compensation strategy that provided clear guidance to the Board and CEO in terms of market and pay level.

CEO Salary (BD-05)

1. The Compensation Policy and Guidelines shall be reviewed by the Board to ensure accountability and endorsement. This will be reviewed at least every three years.
2. The Compensation Committee shall conduct the annual performance evaluation of the CEO, incorporating feedback from members of the Board through multi-rater feedback. The results of the CEO performance evaluation shall be presented to the Board for discussion and approval.
3. The VP Human Resources shall provide support to the CEO and the Executive Committee in carrying out its functions under this policy.
4. The Compensation Committee recommends the CEO compensation, which shall be approved by the Board.

Non-Union Salaries

1. The CEO is responsible for approving the annual non-union compensation within the parameters established by the Compensation Policy Guidelines and informing the Board of Directors of the compensation decision.

Compensation Policy and Guidelines Non-Union

Thunder Bay Regional Health Sciences Centre
April 2009

TBRHSC Strategic Goals:

- Develop an effective operational infrastructure to support teaching hospital components and continue to meet community healthcare needs
- Pursue innovations in capital/operating funding to support medical school infrastructure
- Pursue excellence in patient care delivery, teaching and research
- Enhance and strengthen local and regional partnerships
- Attract & retain high quality people
- Maintain financial stability balancing the provision of quality patient care with sound fiscal management

Compensation Mission

“To provide a compensation strategy that allows us to attract and retain high caliber people who share our mission, vision and values and will contribute to our success.”

Guiding Principles

Key principles that will guide the design of compensation programs for our non-union staff:

- Alignment with Strategic Direction & Organizational Values:
 - Compensation strategies/programs **are** aligned with strategic goals of the hospital to support their achievement and reinforce our values.
 - Job documentation clearly articulates critical job/role accountabilities and will allow the organization a greater ability to respond to shifts in business strategies and in assigning work responsibilities.
- Balance Internal Equity, External Competitiveness and Affordability:
 - Compensation programs will ensure elements that balance the internal equity of different work performed with the external market value within an affordable infrastructure.
 - The internal relative value of work will be measured by assessing accountabilities of different roles across the organization using a fair and equitable methodology that is compliant with legislative requirements.
 - Market competitiveness will be assessed annually comparing base compensation levels of organization roles with those of similar scope of responsibility in organizations found within Thunder Bay Regional HSC's chosen competitive market.
 - Program designs will reflect established competitive base pay by balancing affordability with the need to attract and retain required talent.

Process

- On an annual basis we will compare TBRHSC base compensation to a group of organizations from which we recruit and to which we tend to lose our employees:
 - *teaching hospitals and larger community hospitals across Ontario with 300 to 500 beds and Region 1 community hospitals for healthcare related positions*
 - *general industry /public sector organizations in Northern Ontario for positions for which we recruit locally*
- Our competitive positioning will be determined by targeting:

- *median of 300 to 500 bed community hospitals. More research is needed to determine positioning with teaching hospitals.*
- We will ensure our program design is aligned primarily with those within the hospital sector and track general industry for applicability.
- We will strive to maintain alignment of our compensation program for non-union positions with our collective agreements for unionized employees. Generally a minimum 10% spread.
- We will conduct additional surveys as required to gather pertinent compensation information for those positions experiencing market volatility.

Objectives

Promote Consistency with Flexibility:

- Compensation programs will provide sufficient flexibility to meet the various interests within TBRHSC; however, deviations from compensation program guidelines may occur only when responding to business-critical, market-based attraction and retention needs supported by valid and timely data.
- Internal equity is balanced with external market competitiveness by developing salary structures with broad ranges and guidelines for administration that provide sufficient latitude while ensuring the consistent application of management judgment.
- Consideration **will** be given to moving to a broader range structure reflecting a traditional range format with minimum, job rate and maximum values to support a pay for performance approach to managing salaries, which would reward employees for the sustained achievement of above average performance levels.
- Market volatility in base pay for specific positions or occupational groups will be addressed using temporary market premiums ensuring the integrity of the internal relativity system.

Program Governance

Compensation programs developed will reflect a consistent approach to determining employee compensation and will be supported by clear accountabilities for key organizational players with respect to defining and setting compensation strategy, design and administration.

Board of Directors: Sets policy (BD-05, BD-06) and authorizes annual review of CEO Salary.

President: champions compensation philosophy, as well as program design, implementation and administrative processes. Within policy, sets salary ranges for non-union groups.

Senior Management: provides authority as required on any changes in individual employee compensation levels, including promotions & other rewards.

Human Resources: has overall responsibility for the integrity of the program. Acts in an advisory capacity to President/Senior Management/ Managers, promoting knowledge transfer of compensation methodologies, practices and processes. Collaborates with Managers regarding any changes in employees' compensation levels.

Managers: communicates compensation decisions with rationales to employees. Maintain current performance appraisals to support pay for performance component.