



### Compensation Philosophy

#### Overview

This compensation philosophy will provide a broad framework for the North East School Division (NESD) management and employees in creating clarity around and guiding decisions that affect our total compensation package. It is designed to reflect the importance our employees play in the delivery of services and programs to the school division and that compensation is a clear measure of that importance. In addition, the statement establishes the commitment and necessity to maintain consistency in application of compensation as well as comparability with other jurisdictions that are most likely to affect recruitment and retention of competent employees.

#### Objective

The intent of the compensation philosophy is to maintain a competitive compensation program in order to attract, retain, and motivate qualified employees. To that end, the following objectives govern our compensation program:

- To enable NESD to attract, motivate, and retain the caliber of staff required to accomplish the division goals, vision and mission our compensation program is intended to be competitive between organizations in the primary labour market.
  - The primary labour market is currently defined as the publicly funded school divisions within Saskatchewan.
- To provide salary structures that properly reflect differences between positions
- To provide competitive benefits that meet the needs of employees in a cost-effective manner
- To exercise sound management practices in administering the compensation program
- To administer the compensation program in compliance applicable provincial and federal laws and regulations
- To communicate openly and administer the compensation program fairly and equitably

#### Competitiveness and Comparability

NESD's compensation program is based upon two basic principles:

- External competitiveness - NESD's strength as a leading educational institution is dependent upon attracting and retaining a talented workforce. Therefore, our salaries need to be competitive with the salaries for comparable positions at within our primary labour market.
- Internal equity - NESD strive to establish fair pay levels and pay relationships among employees, with salaries that are based on the relative value of positions within the division as well as on differences in individual performance of positions.

From time-to-time, the Human Resources Department may recommend that other comparators should be used (e.g., Provincial Government, Crown Corporations, agencies of the Federal government, private sector employers or other industry groups) where information from the primary labor market is considered insufficient to attract/retain specific positions or classification groups.

In all instances, for benchmark positions, information for an assessment of pay competitiveness will be ascertained through reliably published compensation survey data.



At least every two years, NESD will conduct a market study of benchmark positions to determine the competitive posture of the organization, and propose a plan of action if necessary. Direct supervisors may also assist with a specific position or classification review is needed in the interim.

If an average salary falls below market averages to the extent that attracting and retaining qualified employees may be jeopardized, the Human Resources Department will propose action necessary to align the position or classification with the competitive marketplace for implementation in the next fiscal year or sooner, if financially feasible.

### General Salary Adjustments

Annually, the Human Resources Department in conjunction with Executive Council will recommend a budget for general salary adjustments that is based upon:

- Overall competitive posture of the organization.
- Market rate adjustments.
- Comparator organizations in the primary labor market.
- Financial affordability
- Compliance

### Lead-lag model for timing of adjustments

NESD will review salaries on average once per year, but the market moves continuously. Therefore our pay is likely to be at market value only at that time. Therefore our recommended structure will be to start the budget year with any recommended increases. That will allow us to possess a lead-lag (versus lag-lead) adjustment at the beginning of the year and lag behind by the end of the year.

### Pay Scales

With employees becoming proficient in their positions, it is important for NESD to keep them moving to the next level. Otherwise their pay will stagnate and they may become unmotivated or look elsewhere for a new challenge. Therefore NESD will promulgate pay scales for all employees on salary increases that an employee may expect from year-to-year if performing satisfactorily. In specific classifications, year to year pay scale changes may differ from other employee classifications due to hard to recruit positions.

Annual increases in base salaries from year to year will be based on meeting established standards. In all cases, employees will know expectations to advance in-grade and career development opportunities to advance to another grade.

- The specific compensation grids will be competitive at 100% of the average pay levels (or 50<sup>th</sup> percentile) for the relevant labor market, and will be adjusted whenever necessary to maintain market competitiveness, taking into account geographical, cost of living and technical differences.

Salary increases from the pay scale are a function of performance-merit. Such increases are recognition of performance that meets or exceeds expectations. All employees should be made aware that such increases are recognition of performance that meets and/or exceeds expectations. Performance standards and supervisory evaluations should stress that merit increases are not automatic.



### **Career Development Increases**

As part of succession planning NESD has a structure to provide salary increases to recognize the attainment of career levels and developmental milestones that assure that NESD's positions are paid comparable with those in the primary labor market. Such a structure enables existing employees in positions to receive pay increases in addition to merit, and enables the NESD to target its pay to those employees who grow in skill and capability.

### **Education and Tuition Assistance**

An objective of a total compensation package is to encourage and support advanced study, education and degree attainment for position related courses and programs. NESD has procedures for applying for and receiving education and tuition assistance, including the academic grades or measures necessary for an employee to be reimbursed and the type of course work that is authorized. The amount to be budgeted for this program will be the average of the budgets for the primary labour markets.

### **Compliance**

The North East School Division #200 Human Resources Department maintains wage-compliance, as federally and provincially mandated.

### **Reviews**

In the event of a real or perceived salary based issue, NESD employees are encouraged to bring their concern to the attention of their supervisor. When a salary based issue is raised, a review will be conducted and the salary will be adjusted as necessary.

- The Human Resources Department will review the current salary structure in relation to our primary labour market as defined.
  - Performance reviews, years of service and specific duties will be taken into account when reviewing or adjusting salaries.
- In the event of a payroll error, please consult with your payroll representative in payroll.

### **Communication**

NESD will benefit from communicating this pay philosophy to our employees, because a sound philosophy consistently applied creates a sense of fairness.

### **Avoidance of Conflict of Interest regarding Compensation Decisions**

Decisions regarding compensation decisions are the responsibility of the Human Resources Department in conjunction with Executive Council and the direct supervisor. In the case of the CEO, the Board of Directors will have sole responsibility for compensation decisions. No staff member, including the CEO, may delegate the authority to set executive compensation to a member of the executive staff. The foregoing philosophy is adopted to ensure that no member of the staff has a vote on any matter concerning compensation paid to himself or herself.

### **Exceptions**

Nothing in our compensation philosophy should be construed as a required benefit in the event that NESD experiences a budgetary decline year over year. As with all budget decisions, merit increases, market rate adjustments and funds for other employee benefits are subject to annual appropriation.



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