How did we get to this point?

"M" Compensation Strategy 2002
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www.MUNASA.com

In 1997 MUNASA raised the need for comprehensive revision of the compensation system for "M" staff during negotiations with the administration. We lobbied for a more equitable, transparent and competitive system. HR replied that the University was looking for more flexibility in its manner of hiring and paying "M" Staff.

In November 1998 Human Resources (HR) invited MUNASA to participate in a Joint Work Group (JWG) to develop the new system.

Joint Work Group members-

For HR	Alain Trepanier, later replaced by Jacques Sztuke Jean-Claude Provost, later replaced by Laura Fabrizi Diana Dutton Merita Ryan
For MUNASA	Anne Sage Susan Czarnocki Trevor Garland Robert Stanley

The Joint Work Group on Compensation sets to work.
Discussions occurred regularly through 1999. After much debate, the concept of a comprehensive compensation system emerged, one that would encompass performance management, career development, job training, etc. It would be based on Job Families and Role Profiles, to replace traditional job descriptions, and would involve a Broad-banded system of salary scales that would leave a wide range between minimum and maximum salary in a given scale. It would be modeled on the system in place at the University of Calgary, thought to be at the leading edge of compensation practice. MUNASA employed the services of a human resources consultant, Equité dans l'Entreprise Inc., to validate the proposals presented by HR.

The JWG began the task of defining Job Families and typical Role Profiles that would form the underpinnings of the new compensation system. Seven job Families were defined, to reflect the seven types of job functions (roles) at McGill:

Administration
Communications
Finance
Human Resources
Information Systems Technology
Logistics and Facilities
Student and Academic Services

Sub-families of specialized roles within each Family were also defined.

Role Profiles and Management Hierarchy
The administration decided that four levels of hierarchy would be appropriate for the middle management ranks in the University. This is in a context where most large organisations have no more that 7 or 8 levels or hierarchy; from the "big cheese" on top to the lowliest mouse at the bottom. Therefore, role profiles would be written for up to four levels of hierarchy, as needed, within each of the sub-families defined. The 82 role profiles that resulted would become "generic job descriptions" for all functions performed by "M" staff.

The Quebec Pay Equity Law takes Priority
In the fall of 1999 the work of the Joint Work Group was sidetracked because of the legislated requirement that the University introduce a Pay Equity Plan by November 21, 2001. The McGill Pay Equity Committee (PEC) was formed to undertake this task. The efforts of the Joint Work Group on Compensation were redirected to support the work of the McGill Pay Equity Committee with respect to issues affecting "M" staff.

The PEC began work in January 2000, beginning two years of intensive activity. The PEC was ultimately able to complete the Pay Equity Plan by November 21, 2001, the only University in Quebec, and one of very few employers to meet the deadline.

A $3.9 Million Dollar Incentive
The legislated deadline of Nov. 21, 2001 had a special significance for McGill, because the Ministry of Education had stipulated that McGill must deposit its Pay Equity Plan by that date in order to receive $3.9 Million in Salary Relativity Adjustments. The $3.9 Million had been reserved by the Ministry for administrative and support staff at McGill, as a result of the failure of McGill to complete the salary relativity exercise of the early 1990s. (Remember the 16 factor equity questionnaire?). (The 2.0% lump sum salary payment in lieu of merit to be paid effective December 1, 2002 – on your Dec. 15 pay cheque – is this money; the portion of the $3.9 Million allotted to "M"s.)

The HAY Group Job Evaluation Methodology
The PEC spent much of the first year debating and choosing the best methodology for evaluating jobs at McGill and ranking them relative to each other – essential in order to be able to quantify the Pay Equity analysis. The HAY Methodology was finally chosen because it had the best track

record in both the private sector and the non-profit and university sectors in Canada, USA and Britain. It had withstood the test of pay equity legislation in the Federal Public Service.

The Hay Methodology establishes measures to rank Know-how, Problem Solving, Accountability, and Working Conditions:

Know-how	includes sub categories to evaluate technical know-how, managerial know-how, and human resources know-how.
Problem Solving	Includes sub-categories dealing with the thinking environment and the thinking challenge required of a job.
Accountability	Measures three factors – freedom to act, magnitude of the decision-making, and impact of the decision-making.
Working Conditions	Measures four elements – the physical environment, physical effort, sensory attention, and mental stress.

Ranking Jobs with the Hay Methodology

HR recommended and the PEC decided that the role profiles and job families being developed by the JWG, would be the references to be used to evaluate "M" jobs for the purposes of Pay Equity. They were the only "generic" descriptions available.

The PEC and the JWG spent most of 2001 learning how to use the HAY Methodology, completing and validating the role profiles, and then performing the Hay evaluations for the role profiles and all of the other job types at McGill. As a result each of the role profiles was ranked relative to the others, as well as to other jobs at McGill, and was given a score in HAY Points. The results of these evaluations can be seen on the PEC website at www.mcgill.ca/pec. It is these PEC points that will serve as the underpinnings of the new salary grades, introduced by HR on October 18, 2002.

During the validation process in the summer of 2001, it became evident that several of the Profiles and Job Families had to be revised to better reflect the reality on the ground. Major revisions were made to several profiles, such as SAF. Nevertheless, it was equally apparent that all of the kinks had not been worked out of the profile descriptions. As a result, a commitment was made, in August 2001, by Robert Savoie, Exec. Director of HR. and Trevor Garland, President of MUNASA, to the effect that further revisions to profiles would be possible before implementing them in a new compensation system.

Human Resources decided to revisit its assumptions

Necessarily, during this period, any effort to pursue the development of the New Compensation System for "M"s was put aside because the agenda of work created by the PEC and the November 21, 2001 deadline monopolized most if not all of the resources of HR and the JWG. Once the Pay Equity Plan was completed, HR found itself not ready to proceed with the development of the Compensation System. Instead in December 2001 the administration decided to revisit its initial assumptions and entered a period of reflection.

HR finally settled on the services of a compensation consultant, Roland Theriault, from Mercer Human Resource Consulting. HR advised MUNASA that it was, suspending talks with MUNASA while it developed a plan to be approved by McGill Senior Administration.

Mr. Theriault convinced HR that the Broad-banded Salary Scale model, proposed three years earlier, did not work in practice and was being abandoned by employers because it was too difficult to regulate. Instead, he noted that salary scale minimums are generally 80% of the scale maximum. The plan therefore became increasing the scale minimum from the present 70.4% to 75% of the maximum.

The plan developed with the assistance of M.. Theriault was presented to the Principal and Vice-Principals in the early summer. They were supportive of the plan and directed Human Resources to implement it by Dec. 1, 2002. HR presented the plan to MUNASA at the JWG on August 15 stating that the Administration was prepared to fund salary adjustments only if implemented on Dec. 1.

Profiles, HAY Points, and Salary Grades

The PEC process had assigned Hay Point Scores to each of the Role Profiles. The HAY point scores ranged from a low of 189 to a high of 881. Note that Role Profiles with the same level of hierarchy (Level 1, 2, 3, 4) do not necessarily receive the same Hay Point Scores. This occurs because the profiles in different families and subfamilies have scored differently in the HAY evaluations, because different profiles have varying characteristics of Know-how, Problem Solving, and Accountability. Even within the same Family, role profiles of the same level (but different sub-families) can have significantly different Hay Point Scores .

An underlying principle of the HAY methodology is that for real and obvious differences to exist between jobs there must be at least a 15% difference in the value of the factor or factors being measured. Therefore the HAY point range was defined with a 15% increment between grade levels, indicating an obvious difference in the ranking of jobs relative to each other. If you take a Hay Point Score of 189 as the minimum, then the next significantly different job will be 216 HAY points (189 plus 15% of 189). The next after that will be 249 (217 plus 15% of 217). By this method of HAY point distinction we arrive at eleven distinct grades.

Level 1 profiles fall into Salary Grade 2 or 3
Level 2 profiles fall into Salary Grade 4 or 5
Level 3 profiles fall into Salary Grade 6, 7, 8, or 9
Level 4 profiles fall into Salary Grade 9, 10, or 11

For example LOG (Logistics and Facilities) profiles at management hierarchy level 3 have salary grades of 6 (for LOG3C), 7 (for LOG3B and LOG3D), or 9 (for LOG3A), across four different sub-families. Profiles at the same level of hierarchy can have very different HAY Points and, consequently, different salary grades.

Moulding the final package, improving on HR's proposal.

From August 15, 2002 began a period of intensive work with the JWG meeting weekly, in camera, to review, debate, and improve on the HR proposal. As a result of MUNASA's participation in the JWG several significant improvements were made to the initial HR proposal. For example:

a) Theriault had proposed a salary comparison based on the Canadian Non-profit sector. MUNASA convinced HR that a better comparator was the University sector in Quebec, most importantly the sister universities in Montreal as well as Laval and Sherbrooke. A salary survey addressed to these universities was undertaken by HR as a result. This survey is still in progress and the results cannot be vetted by MUNASA until after Dec. 1.

b) The administration had intended to use the "compar-ratio" to make salary adjustments for people whose salaries were above the minimum of the existing scales. MUNASA proposed that the penetration ratio, although more costly for the employer, would be more equitable. The penetration ratio was retained by HR instead of the compar-ratio.

c) The salary scales initially developed by HR were improved after MUNASA intervened to show that a very large number of incumbents would have salary levels over the new scale maximums. As result, the revised scales reduced the number of people over their maximums substantially.

d) HR agreed with MUNASA that an appeal process would be needed to allow incumbents and supervisors to challenge the match of individuals to a profile, and indirectly their match to a salary grade. HR further agreed that it must be possible for people to propose changes to the list of typical activities in a profile.

However, the administration would not agree to allow the whole profile structure and content to be subject to general revision. HR maintains that the work done by the PEC should remain the benchmark for all job evaluations going forward. This contradicts the position put forward by the Exec. Director of HR in the letter to the community in August 2001.

Much Still to be done Moving Forward

There is still much work to be done in the next months to monitor the implementation of this Compensation proposal and to develop the missing pieces of a comprehensive Compensation System.

- How will implementation affect the existing Personnel Policies for "M" staff?
- What appeals will require adjudication?
- We must cross check the results of the University's salary survey with our sister Associations in CACPUQ.
- How do we pursue and resolve the debate about merit? We have made a proposal to have the annual merit exercise replaced by automatic progression of approximately 2.0% of scale maximum.
- How will Special Salary Adjustments be applied and monitored in practice?
- How will qualifications and competencies be matched to the job requirements defined in the profiles and the HAY evaluations?
- What will be the period of apprenticeship for young professionals hired at a discount to the grade minimum salary? How will such people move up to the grade minimum?
- What about performance management, career training, career development, job mobility?
- How does staff renewal and succession planning intersect with all of this?

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