



University of Toronto

HUMAN RESOURCES AND EQUITY

TO: Business Board

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AGENDA ITEM: 6

ITEM IDENTIFICATION:

Revised Compensation Policy for Advancement Professionals

JURISDICTIONAL INFORMATION:

Under section 5.9 of its terms of reference, the Business Board has responsibility for approval of personnel policies for non-union administrative staff and approval of changes to the process of determining salaries and benefits.

PREVIOUS ACTION TAKEN:

In May 2001 a distinct *Compensation Policy for Senior Advancement Staff* was introduced to address issues of recruitment and retention in the increasingly competitive Advancement field with a recognized shortage of skilled talent. The new compensation policy was designed to position the University as a market leader in target compensation for Advancement professionals.

HIGHLIGHTS:

Background

At present there are approximately 137 staff members in the Divisional/Faculty Offices and 140 staff members in the central Division of University Advancement who support Advancement initiatives for the University (please note that not all of these positions are dedicated solely to Advancement functions). The Advancement Professionals employee group covered by the *Compensation Policy for Advancement Professionals* comprises 24 Program Manager positions, 24 Senior Development Officer positions and 9 positions at the most senior Advancement Professional level (2-AP) whose positions have been

identified as critical to the success of the University's advancement goals and initiatives. The remaining employees engaged in advancement activities are covered by the compensation program for Professional/Managerial staff or are covered under the Collective Agreement with the United Steelworkers of America.

Prior to May 2001 compensation for all Advancement professionals was covered by the compensation policy for Professional/Managerial employees. The May 2001 policy introduced variable pay for Advancement Professionals, who no longer receive across-the-board increases but are eligible to receive **potentially** higher performance-driven salary increases and one-time-only incentive payments based on the accomplishment of predetermined qualitative and quantitative goals. The work of Advancement professionals is distinguishable from many Professional/Managerial roles at the University in that the achievement of overall fundraising goals can to a greater extent be driven by and measured by establishment of ambitious individual qualitative and quantitative targets. As such, conditions for base salary increases and incentive payments for Advancement Professionals are solely based upon performance and specific achievement of goals and objectives written into annual performance accountability contracts.

The University is now into its fourth year of implementing the annual salary adjustment program for Advancement Professionals. While the University has recently concluded a very successful and ambitious fundraising campaign and considers itself to be in a period of renewal, market pressures related to attracting and retaining the best possible talent in the Advancement field continue to exist and are increasing. As the University prepares to effectively position itself for the next campaign initiative, it is critical that the University continue to be a market leader in the field. This past year a review was undertaken of the Compensation Policy for Advancement Staff with an aim to refine the policy to be reflective of the practical application and to more closely align the policy with some of the revisions to the Compensation Policy for Professionals and Managers.

Summary of changes

In general, the proposed changes to the *Compensation Policy for Advancement Staff* strengthen accountability by more clearly defining the mandate of the Advancement Compensation Committee (ACC), provide more flexibility to respond to the fiscal environment by removing the salary ranges that are embedded in the current policy and streamline and refine the policy to be more consistent with recent (June 2004) revisions to the *Compensation Policy for Professionals and Managers*. Below are more details of the specific changes:

Salary Ranges:

- Actual salary range minimum and maximums were embedded in the policy and have been subsequently removed to allow for greater flexibility and to be consistent with the *Compensation Policy for Professionals and Managers*.
- Salary ranges will now be published annually in the Advancement Professionals Annual Salary Adjustment instructions consistent with the Professionals and Managers Annual Salary Adjustment process.

Starting Salaries and Probation Periods:

- Language was refined to reference comparable internal and external market data.
- Reference to a minimum probation period of 9 months was added with the notion of a maximum period of a 12-month probation period remaining the same.
- To be consistent with the *Compensation Policy for Professionals and Managers*, reference to consideration for adjusting salary at the conclusion of the probation period was removed.

Annual Salary Adjustment Program:

- Reference to the ranges for individual base increases and for incentive lump sum payments was relocated to another section of the policy.
- Reference to the incentive lump sum component of the program for 2-AP staff was relocated to this section of the policy.
- Reference to individuals on probation on July 1 not being eligible for the annual salary adjustment until the following July 1 after successful completion of probation was added for clarity.

Promotional Increases:

- Clarification that the creation of any new AP positions must be approved through the Vice President and Chief Advancement Officer on behalf of the Advancement Compensation Committee.

Approval Process and The Advancement Compensation Committee:

- For clarity, the Approval Mechanism and Compensation Committee sections of the old policy were combined.
- Starting salaries, promotional increases, OTO payments, position titles and objectives are approved by the Vice President and Chief Advancement Officer in accordance with current practice.
- Approval of subsequent salary adjustments, variable pay rewards and promotional increases are now described under the responsibilities of the Compensation Committee.

- Reference to the *Policy on Appointments and Remuneration* and the regulations of the Senior Salary Committee was added.
- The Vice President of Human Resources and Equity has replaced the Vice President and Chief Advancement Officer as chair of the committee.
- The terms of reference of the committee now include annually determining the base salary increase amounts and incentive lump-sum payments for the annual salary adjustment program which can range up to a maximum increase of 10% of the base salary; and for 2-AP positions, the incentive lump-sum payment component of the program can range up to 15%. The range maximums for these increases were relocated to this section to allow for greater flexibility for the committee to be more fiscally prudent when market conditions warrant.
- Approval requirements were clarified in the section referring to annual salary adjustment base increases and incentive payments for 2-AP positions.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

There are no financial and/or planning implications associated with the proposed changes to policy. In fact, the revisions to policy should allow for greater fiscal flexibility and accountability.

RECOMMENDATION:

For approval of Business Board, it is recommended

THAT the proposed revised Compensation Policy for Senior Advancement Professionals in the *Policies for Professionals/Managers*, a copy of which is attached to Professor Hildyard's memorandum of June 23, 2005 be approved with an effective date of July 1, 2005, replacing the policy approved by the Business Board on May 7, 2001.

Encls: Revised 2005 Compensation Policy for Senior Advancement Professionals (*Appendix A*)
2001 Compensation Policy for Senior Advancement Staff (*Appendix B*)