



TO: Business Board

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DATE: April 5, 2010 for April 26, 2010

AGENDA ITEM: 4(f)

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 policy was designed to position the University as a market leader in target compensation for Advancement professionals. The policy has been amended in 2005 to provide more clarity in its interpretation and application.

In reference to the Policy on Appointments and Remuneration, Sec 13 D ii, the Senior Appointments and Compensation Committee reviewed the policy changes outlined in this document at the March 2010 meeting and have made the recommendation to the Business Board to approve the policy changes.

HIGHLIGHTS:

Background

At present there are approximately 24 staff members in the Divisional/Faculty Offices and 116 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

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group covered by the *Compensation Policy for Advancement Professionals* comprises 29 Program Manager 1AP positions, 30 Senior Development Officer 1AP positions and 12 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 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. As the University prepares to effectively position itself for the next campaign initiative, it is critical that we modify our compensation program in support of a more externally-focused calling culture through the creation of new performance standards and metrics for fundraising staff. Specifically, we wish to incent all individuals towards these objectives and the underlying culture shift. A move to incentive pay for both 1-AP's, in addition to the incentive pay program already in place for 2-AP's, will act as a strong lever in bringing about this cultural change and accomplishing the ambitious objectives set for DUA.

Summary of changes:

The proposed changes to the *Compensation Policy for Advancement Staff* are intended to strengthen and focus employee behavior towards achievement of the University's advancement strategic objectives, further define the Advancement Compensation Committee's (ACC) responsibilities and realign probationary practices with the *Compensation Policy for Professionals and Managers*. These changes are being proposed effective July 2, 2010, allowing this year's Annual Salary Adjustment Program to proceed under the existing policy. Below are more details of the specific changes:

Incentive Pay and OTO Payments for 1APs:

- The current policy allows for the awarding of one time only (OTO) payments to 1APs for extraordinary effort and/or contribution. This is applied reactively, after the fact without predefined measureable deliverables. The proposed changes to the policy would remove this less defined practice and formalize the awarding of OTO payments with predetermined objectives and measurables that are assessed annually.

Other Changes to Annual Salary Adjustment Program Section:

- Clarifying language has been added to reinforce the role of the Advancement Compensation Committee in determining the amounts for individual annual salary adjustments.
- The policy specifically named the planning documents used to record and report on goals and objectives – language has been inserted to generalize this, as names of documents change over time.

- The eligibility for annual increases while on probation and the length of probation for Advancement Professionals has been updated to align with the *Policy for Professionals and Managers*.

Approval Process and the Advancement Compensation Committee:

- As per policy, the Advancement Compensation Committee is responsible for determining the base salary increase amounts and incentive lump-sum payments for the annual salary adjustment program. The specific range of the increases has been removed from the policy to provide the University more flexibility and reduce employee expectation, especially during challenging financial conditions.
- Reference to the *Policy on Appointments and Remuneration* and the regulations of the Senior Salary Committee have been updated to reflect the new name of the committee.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

Any financial and/or planning implications associated with the proposed changes to policy can be accommodated within the current budget framework. In fact, the revisions to policy should allow for greater fiscal flexibility and accountability.

Implementation of these changes will be undertaken in light of the Compensation Restraint Act.

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 revised Policy is attached to this memorandum, be approved, with effect from July 2, 2010, replacing the policy approved by the Business Board on June 23, 2005. It is understood that, in the immediate term, implementation of the policy changes will be undertaken in accordance with the relevant provisions of the *Public Sector Compensation Restraint To Protect Public Services Act, 2010*.

Encls: Revised 2010 Compensation Policy for Senior Advancement Professionals (*Appendix A*)
2005 Compensation Policy for Senior Advancement Staff (*Appendix B*)