



November 9, 2016

Update on the Total Compensation Design Recommendations for Members of TMG

As leaders of the TMG Total Compensation Design Sub-Committee, we're writing to provide you with an update on the status of the development and implementation of the recommendations regarding changes to the design of the total compensation program for members of TMG.

Members of TMG have important roles throughout McMaster's academic, administrative and research areas. In the June 2014 letter regarding Total Compensation Changes for TMG, Roger Couldrey, Vice-President (Administration), announced the longer term work plan to revitalise the compensation program for TMG in a way that will strengthen our ability to attract, develop, retain and engage high calibre leaders. We believe this is important to the University's continued success and will strengthen McMaster's reputation as both a premier educational institution and a top employer in Hamilton. The work on this initiative was launched by Human Resources in partnership with the TMG Committee. The TMG Total Compensation Design Sub-Committee and the Job Evaluation Review Working Committee were established and have been meeting regularly over the past two years to review the existing program and develop recommendations that are intended to rejuvenate the design of the Total Compensation program.

In addition, the Organizational Development team in Human Resources in consultation with key partners across our University are working on new leadership programming initiatives related to development and planning to reinforce our enhanced leadership model framework. The TMG Total Compensation Design Sub-Committee and the Job Evaluation Review Working Committee have worked to ensure the recommendations are aligned with these new programming initiatives. Information about the new framework and programming will be forthcoming.

Through the development of all of the above initiatives, regular updates have been provided to the TMG Committee and to members of PVP.

As a result of the work of the TMG Total Compensation Design Sub-Committee and the Job Evaluation Review Working Committee with Human Resources, 30 recommendations were developed. While the committees will continue their work to finalize the details of the recommendations and plan for their communication and implementation, some of the changes are ready for implementation. The purpose of this letter is to provide you with an update of the changes that are being introduced now in Phase 1 of our implementation.

The remainder of the recommendations, some of which will require University approvals, will be detailed in future communications. The plan is to have the recommendations phased in over a 3-year period with full implementation targeted by June 30, 2019.

If you were able to attend one of the information sessions hosted by the Sub-Committee during the week of October 24th, you will have heard some of these details. For those of you that weren't able to attend, you can find an electronic copy of the presentation here:
<http://www.workingatmcmaster.ca/compensation/>.

The Phase 1 Implementation Summary is included with this letter. We encourage you to explore the information to learn about the new changes.

Over the coming months, more information related to the recommendations and next phases of implementation will be shared. As the recommendations are implemented, the Sub-Committee and Human Resources will provide guidance in their implementation, be available for questions and consultations, assess outcomes to ensure that the programs are performing as intended, and make any refinements.

Beginning soon, we will be scheduling meetings with supervisors of TMG to provide information needed to understand and administer these changes.

In anticipation that our next set of recommendations will be brought forward for necessary approvals later this year, we plan to hold information sessions for Phase 2 implementations in Spring 2017.

The TMG Total Compensation Plan Design Sub-Committee and the Job Evaluation Review Working Committee have been working on this initiative to enhance the total compensation program for TMG. In their entirety, the recommendations are viewed as significant to revitalizing the total compensation program. We hope that you like the changes.

You are welcome to contact members of the Sub-Committee with any feedback, questions or comments that you may have.

Sincerely,

Amber Bukata and Susan Birnie
Co-Chairs of the TMG Total Compensation Design Sub-Committee

Nancy Vukelich
HR Partner on the TMG Total Compensation Design Sub-Committee

Total Compensation Program Design Changes

Phase 1 Implementation Summary

Implementation Status:

Recommendation	Target Implementation Date	Current Status
1. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
2. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
3. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
4. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
5. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
6. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
7. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
8. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
9. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
10. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
11. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
12. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
13. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
14. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
15. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
16. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
17. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
18. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
19. Review the current salary review process for providing a fair and equitable compensation program for all employees.	January 2017	Completed
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In developing its recommendations, the TMG Total Compensation Design Sub-Committee and the Job Evaluation Review Working Committee reviewed the existing program and created a number of recommendations that are intended to improve the program and align with other initiatives that are currently underway for TMG.

The Total Compensation Plan Redesign Recommendations are intended to be phased in over a three-year period. Implementation of some recommendations is beginning now. The target date for full implementation is June 2019.

Throughout the implementation, members of TMG and their supervisors will be provided with regular updates and there will be multiple opportunities to learn about each of the changes.

The Implementation Status chart summarizes all of the recommendations, identifies the target timeline for implementation, along with their current status.

Keep in mind that a number of the recommendations require University approvals prior to implementation.

TMG Achievement Program:

Category	Outstanding	Successful	Achieving
Work Performance	Consistently achieves or exceeds all performance goals, including leading or pioneering important projects and making significant contributions to the success of the organization.	Consistently achieves or exceeds all performance goals, including leading or pioneering important projects and making significant contributions to the success of the organization.	Consistently achieves or exceeds all performance goals, including leading or pioneering important projects and making significant contributions to the success of the organization.
Leadership Capabilities	Consistently demonstrates exceptional leadership skills, including the ability to motivate, inspire, and develop others, and to lead the organization through change.	Consistently demonstrates exceptional leadership skills, including the ability to motivate, inspire, and develop others, and to lead the organization through change.	Consistently demonstrates exceptional leadership skills, including the ability to motivate, inspire, and develop others, and to lead the organization through change.
Individual Development	Consistently demonstrates exceptional individual development, including the ability to learn from experience, take on new challenges, and develop new skills and knowledge.	Consistently demonstrates exceptional individual development, including the ability to learn from experience, take on new challenges, and develop new skills and knowledge.	Consistently demonstrates exceptional individual development, including the ability to learn from experience, take on new challenges, and develop new skills and knowledge.

The TMG Achievement Program is our updated performance review and development planning program for members of TMG.

One of the items the Sub-Committee reviewed was the pay for performance concept and how our performance review program connects to our salary review and merit allocation process.

The program we currently have is very traditional with performance review ratings of 1 through 5. What was found in the analysis was that our program isn't as effective as it can be and there is opportunity to improve the linkage between performance and pay.

The TMG Achievement Program replaces the current Performance Planning and Management Program. The new achievement levels will replace the current 1 to 5 performance ratings. There are three levels of achievement that will be used to describe your overall performance: 'outstanding', 'successful' and 'achieving'. Considerations in determining the overall rating are:

- work performance (what was performed),
- leadership capabilities (how the work was performed), and
- individual development (professional development accomplishments).

The TMG Achievement Program is being introduced now and will be first used in the Spring 2017 performance reviews.

The Achievement Program, including the achievement levels and definitions, will apply whether you continue to use the paper-based forms or ePerformance to complete the annual performance review.

The key features and the achievement levels and definitions are available on the web.

The TMG Achievement Program changes the approach to the performance review process and involves a comprehensive and holistic assessment of one's overall performance. More information about this program will be available in the coming months and supervisors of TMG will be provided with guidance and helpful tools and resources in learning to apply the program.

Here are a few points to keep in mind.

The introduction of the TMG Achievement Program fits in with our existing performance management cycle:

- Step 1: Annual Goals Planning
- Step 2: Progress Review Discussions
- Step 3: Year-end Performance Review
- Step 4: Merit Allocation

We're in Step 1, the annual goals planning phase, now. If you haven't already done so, work with your supervisor to confirm and document your objectives.

Throughout the year, TMG and their supervisors are encouraged to have periodic review discussions about progress to date and training and development goals. The performance assessment will be completed in the Spring 2017 in preparation for the annual salary review process. In the annual salary review process which normally takes effect in July, merit that is allocated will be reflective of the level of achievement.

A related recommendation is to introduce a new merit matrix that will guide the allocation of merit in a way which supports the 'pay for performance' approach. Details of the new merit matrix will be shared after approvals are obtained.

Job Evaluation

Many of the recommendations that are being rolled out in Phase 1 of our implementation are related to job evaluation.

The Job Evaluation System we use for evaluating jobs in TMG isn't changing. Jobs in TMG will continue to be evaluated using the Hay Group Guide Chart Profile MethodSM of Job Evaluation. The Hay Group method is the most widely used method of job evaluation around the world and can be used for all types of work.

There are some changes that affect the Job Evaluation Committee and related processes, so most TMG won't see them directly. This section describes such changes.

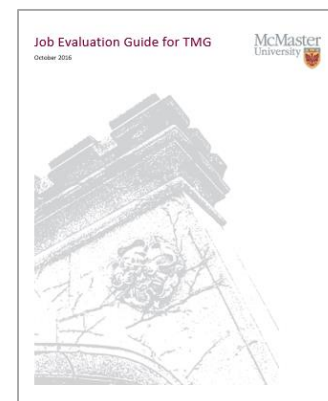
At McMaster, although we use the Hay Group method to evaluate jobs in TMG, we use an addendum that was developed many years ago that is specific to McMaster. The addendum is long and complex.

The Job Evaluation Review Working Committee, after considering the question of what method of job evaluation should be used for TMG, recommended retaining the Hay Group Method, adopting the Standard Hay Guide Charts, and discontinuing use of the addendum. The Job Evaluation Committee, after a period of piloting the Standard Hay Guide Charts in tandem with the existing addendum, have now moved to using the Standard Hay Guide Charts for evaluations.

Through this process, the Job Evaluation Review Working Committee considered other tools that would assist the job evaluation process and recommended creating Job Family Profile Maps outlining the responsibilities of the jobs. These Profile Maps have been drafted and will be another tool for the Job Evaluation Committee. They summarize, by job family, the key accountabilities and characteristics of the benchmark jobs and provide a point of reference for the Job Evaluation Committee when determining the evaluations of other jobs.

The above changes will assist the Job Evaluation Committee and will make the job evaluation process smoother and more efficient.

Job Evaluation Guide for TMG

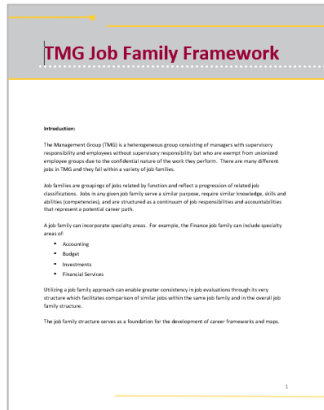


A new Job Evaluation Guide for TMG has been developed. The guide is an information resource for supervisors and employees in TMG and includes topics such as:

- When should jobs be evaluated?
- Who completes the job description?
- Periodic review of job descriptions
- Tips for writing job descriptions
- Communication of job evaluation results
- Requesting an appeal
- Roles and responsibilities

We hope that you find this guide informative.

Job Families



We are introducing the concept of Job Families which are groupings of jobs related by function. Jobs in a family serve a similar purpose and are structured as a continuum of job responsibilities and accountabilities and represent a potential career path.

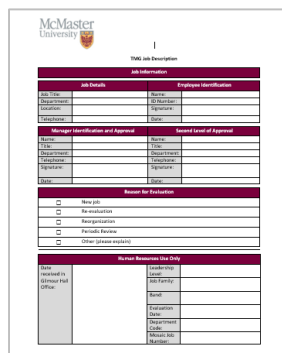
The job family structure is a foundation for the future development of career frameworks and maps. The job families have been defined and are available on the web.

Benchmark Job Descriptions

In their review of the job evaluation process, the Job Evaluation Review Working Committee recommended that the selection of benchmark jobs and the corresponding job descriptions be updated. The Working Committee has completed the identification of the benchmark jobs.

Human Resources will be contacting the supervisors of the benchmark jobs to ask for updated job descriptions to ensure they reflect current state. As these updates are completed and evaluated, they will serve as the foundations for the evaluation system.

Job Descriptions



The job description form has changed. The new form is much shorter and simpler to complete. The 32 closed-end questions and the 'bubble sheet' have been eliminated. We've also eliminated the checklist related to supervisory responsibilities, so you'll need to include in the job description narrative any responsibilities the job has for supervising and leading people.

A new section about 'dimensions' has been added where you can provide quantitative information about the size

and scope of the job. Dimensions include things like number of reporting staff, financial accountability, projects managed, and others. A question about working conditions has also been added.

Included in the job description for information and alignment with the new leadership model, are McMaster's core leadership capabilities. McMaster's leadership model and philosophy is the interdependence of three leadership dimensions – culture, behaviours and organizational practices. McMaster maximizes its leadership capacity by ensuring that these three dimensions are aligned while enabling all employees to develop in their roles and be successful contributors.

McMaster's six leadership capabilities form the foundation for leadership development and programming. Regardless of one's leadership level, the desired behaviours that demonstrate these six capabilities will help to ensure all employees are aspiring towards a common leadership culture that is shared by everyone across the organization. The job descriptions for TMG include these core leadership capabilities to reflect an integrated profile of the work responsibilities and how it is performed.

On the cover page, we've included space for identification of the job family, leadership level and band confirmation. Once a job is evaluated, Human Resources will add this information to the job description and return it to the supervisor.

Periodic Review of Job Descriptions

One of the changes that we are putting in place is a process to periodically review job descriptions to ensure they remain current. The target is to have all job descriptions reviewed every 4 years (and sooner if the job functions change significantly).

Human Resources will coordinate the process with supervisors of TMG, beginning with the oldest job descriptions.

Job Posting

We are introducing a job posting form that will correspond to each job description. As job descriptions are evaluated, Human Resources will create the job posting and will send it to the supervisor. The job posting is designed to include the same information that is in the job description. Depending on the length of the job description, the information may be condensed. The introduction of the job posting should be a useful tool and timesaver for managers when posting vacant positions.

Generic Job Descriptions

Generic job descriptions are appropriate when there are multiple positions that share common responsibilities. Where feasible, we will create generic job descriptions.

The development of generics will begin in the coming months in consultation with supervisors of TMG.

Previously Implemented Changes

Earlier this summer, we were able to implement two of the recommendations.

The first change was an update to the annual salary review letter. In recent years, the letter was amended to provide details regarding the merit increase only. We heard from many TMG who preferred a letter that provided a detailed summary of all aspects of the salary increase, including the increase to the revised salary range minimum (if applicable), the ATB increase, and the merit increase. The more detailed letter was introduced in July of 2016.

We continue to hear about concerns in getting the letters in a timely way. We'll continue to look at ways to improve communication of individual salary increases and will make other updates, as opportunities arise.

The second change was a pilot of merit groupings and calibration. Due to timing, this was introduced on a small scale this year and will be expanded in 2017 and onwards. The intent of these changes are to improve greater consistency in application of performance ratings and connection to merit allocations. These changes have been modelled on areas of the University that already use similar approaches with success. You'll hear more about these changes in the coming months.

Information Resources

www.workingatmcmaster.ca/compensation



To ensure you have the opportunity to keep informed about the Total Compensation Plan Design Recommendations and their status, we've added a dedicated section to the website. Check here for information and updates.

We hope that this brochure is an informative and useful reference. We look forward to providing you with future updates as the next phases are approved and implemented.

Questions and Comments

Should you have any questions or comments, please send them to Dejana Corovic in Human Resources Services (corovic@mcmaster.ca). Alternatively, you can contact members of the TMG Total Compensation Design Sub-Committee.

November 9, 2016