



Royal Roads University Compensation Philosophy and Plan

Updated October 2020

Philosophy

Royal Roads University (RRU) is guided by a business model that ensures long-term financial sustainability. Consistent with this model, the Board of Governors has set a financial framework that ensures that the university's cost structure does not exceed 95% of revenues in any given year.

Within this overarching structure, the university takes a deliberate approach to organizational design, so that it is structured, at both the managerial and business-unit levels, to achieve alignment and ensure outcomes and long-term objectives are met.

RRU approaches employee compensation from a "total rewards" perspective. Base salaries are complemented by a framework for merit-based, variable compensation which is dependent on the university's annual performance planning and management framework. Total compensation (base salaries and variable compensation) is consistent with the median range of the relevant labour market (comparable sized organizations and universities across Canada) in which the university competes for talent.

RRU's approach to compensation planning considers all employee groups: the Canadian Union of Public Employees Local 3886 (CUPE), Royal Roads University Faculty Association (RRUFA), and excluded employees.

Specific compensation plans for the CUPE and RRUFA are articulated by their respective collective agreements.

For excluded employees, the following plan describes the university's performance-based approach to compensation (at both organizational and individual levels), and its commitment to fairness, equity, and transparency.

Compensation Framework for Excluded Employees

As noted above, the RRU compensation plan for any given fiscal year is framed by the university's compensation philosophy. This document concentrates on the compensation framework for excluded employees.

At Royal Roads 'excluded employees' include both our Management and Exempt employees who are excluded from union membership and our Professional/Technical (PT) and Administrative employees who are not unionized and therefore are considered part of our excluded compensation framework.¹ Although currently on one blended salary scale our positions fall into separate job families as follows:

Management Excluded and Exempt Employees administer the available financial, human, information and resources to attain the goals set out by the Board of Governors and Executive.

Operational Manager, Professional / Technical Employees deliver products and services through the application of expertise gained through post-secondary study and usually recognized through

¹ Canadian Union of Public Employees Local 3886 (CUPE) and Royal Roads University Faculty Association (RRUFA) members are covered by compensation provisions articulated in their respective **collective agreements found at this link <https://humanresources.royalroads.ca/collective-agreements>**.

certification by an outside body. Acquired knowledge or technical skills are required to carry out responsibilities and are consistent with industry standards.

Administrative Support Employees perform technical, clerical and service functions supporting RRU operations.

The excluded employee compensation plan is based on imperatives emerging from the external and internal environment, chiefly the provincial government fiscal mandate and the university's financial position, while recognizing the importance of attracting and retaining an engaged and productive workforce.

The plan is reviewed and updated on an annual basis, to ensure continuing alignment with the university's business imperative, and to address external conditions or dynamics that may have an impact on the current annual cycle.

The compensation plan was first implemented in 2009, when the Hay Job Evaluation system was introduced at RRU. This plan for staff employees (not covered by a collective agreement) was initially approved by the Public Sector Employers' Council (PSEC) in November 2010 in accordance with the *Public Sector Employers Act*. The plan was 'refreshed' in 2015 and approved by PSEC in January 2016, and further refreshed and approved in 2019 to align with the September 2018 BC Public Sector Employers' Guide to Accountable Compensation. This current version is an update for the 20-21 performance year in response to PSEC guidance and request.

Compensation Principles

The university's 2020/21 compensation plan continues to be underpinned by the guiding principles and key components fundamental to the original compensation plan developed.

Appended to this plan are the parameters of the excluded employee variable compensation plan for 2020/21 (Appendix 1). As previously noted, the parameters of the variable compensation plan will be reviewed on an annual basis, in alignment with RRU's performance management system.

- **Alignment with the Business Model**

This compensation plan is consistent with the university's business model, aligned with the annual operating plan, and it complies with the current PSEC mandate and policy direction.

- **Performance-Based**

Rewards are linked to the performance of individuals, teams and key performance indicators. This means that employees can expect:

- Monitoring of individual and team-based performance measures via performance and development planning (PDP).
- Quarterly performance reviews where employees receive feedback on their performance during the review period and progress towards work plan objectives.
- Annual merit pools and variable incentives that reflect the financial performance of the university.

- Merit increases for employees who are exceeding expectations on performance reviews when financial performance allows for these.
- **Fairness and Equity**
The appropriate salary range for a job will be objectively determined based on a robust assessment of job size and complexity. We will apply a reliable job evaluation methodology and process to allocate jobs into grades and provide the fundamentals of internal equity. The methodology and process will be pay equity compliant to ensure equal pay opportunity for work of equal value.
- **Transparency**
Reward programs are designed to be transparent so that employees are clear about how they will be rewarded and for what they will be rewarded. Compensation decisions will be determined by guidelines that are communicated both by Human Resources and managers.

Compensation Plan

Elements of the Plan

Elements of the plan include, job evaluation, grading structure, base pay, salary ranges and market positioning, salary ranges for recruitment purposes, market stipends, responsibility stipends, organizational change, performance pay, variable pay, economic adjustments approved by government and other monetary benefits and non-monetary benefits. Each of these is described in more detail in the following sections.

1. Job Evaluation

The Hay Guide Chart and Profile Method of job evaluation are used to measure the size and complexity of jobs. The Hay Method is the world's most widely used job evaluation methodology. It is robust, pay equity compliant, and can be applied to all types of jobs.

The Hay methodology evaluates all jobs within the organization against a set of common factors that measure inputs (required knowledge, skills, and capabilities), throughputs (processing of inputs to achieve results), and outputs (end result expectations from applying inputs constructively). The role profile or job description is a fundamental building block of the human resources system as it outlines the position duties, responsibilities and overall scope and complexity.

Through the job evaluation system and the Hay methodology, the end result is a ranking of all positions within the organization and the establishment of an internal rank order of all the positions from the most senior position of President on down throughout the organization. The Hay method is an input-throughput-output model and measures three main areas for each position: Know-How, Problem Solving and Accountability.

- **Know-How**

To achieve the accountabilities of a job requires "Know-How" (or inputs), which is the sum total of every capability or skill, however acquired, needed for fully competent job performance. Know-How has three dimensions:

- **Technical/Specialized Skills:** Depth and breadth of technical or specialized knowledge needed to achieve desired results.
- **Managerial Skills:** The requirement to undertake managerial functions, such as planning and organizing staff or directing and controlling resources, to achieve business results over time.
- **Human Resources Skills:** The interpersonal skills required for successful interaction with individuals and groups, inside and outside the organization.

- **Problem Solving**

The value of Know How is in its application to achieve results. Problem Solving (or throughputs) refers to use of Know-How to identify, delineate, and resolve problems. We “think with what we know”, so Problem Solving is viewed as utilization of Know How, and has two dimensions:

- **Thinking Environment:** The job’s context and the degree to which problems and solutions are defined.
- **Thinking Challenge:** The nature of addressable problems and the difficulty in identifying solutions that add value.

- **Accountability**

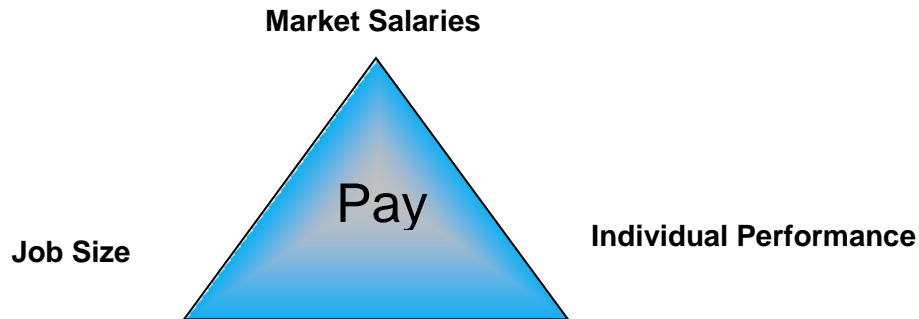
Every job exists to add organizational value by delivering some set of results (or outputs). Accountability measures the type and level of value a job can add. In this sense, it is the job’s measured effect on an organization’s value chain. It has three dimensions:

- **Freedom to Act:** The degree of empowerment to take action and the guidance provided to focus decision-making.
- **Scope:** The business measure(s) the job is designed to positively impact.
- **Impact:** The nature of the job’s influence on business results.

Human Resources team members have been trained to administer this proprietary system and are accountable for determining evaluations for all positions. The HR Job Evaluation Team collects job information through role profiles, organization charts and interviews with the applicable manager(s) and as needed, affected employees. Requests for reconsideration may be made through the VP and CFO however decisions on appeals are final and binding.

2. Base Pay

Base pay is the core compensation mechanism for rewarding individuals for the work that they do and how they perform within that role. Base pay is also key to attracting and retaining high quality talent. As such, base pay is designed to reflect a balance between the size and scope of the job, the incumbent’s performance in that role, and base pay offered in the external market for similar positions.



The impact of job size on base pay is determined using job evaluation to measure the complexity of the job and place the job into a grading structure that organizes work into groups of similarly sized jobs.

External market positioning defined by the median (P50) of the B.C. broader public sector and other relevant local, provincial and national comparative organizations will normally be incorporated into base pay using external market data to establish salary ranges for each grade.

3. Salary Ranges and Market Positioning

As previously noted, external market positioning will normally be incorporated into base pay using external market data to establish salary ranges for each grade. These salary ranges will be reviewed against the market annually and adjusted as necessary to ensure that they continue to reflect the business model.

The salary ranges in the HR Website reflect the current minimum, mid-point (job rate) and maximum for each salary range.

4. Current Salary Ranges*

RRU's current Exempt Compensation Plan with most current salary ranges is posted on our Human Resource website at <https://humanresources.royalroads.ca/exempt-compensation-plan>

Compensation for the position of President (Pay Grade PRES) is determined by the PSEC guidelines and as approved by the RRU Board of Governors.

The minimum of the range normally reflects the lowest salary appropriate for an incumbent performing the basic requirements of the position, recognizing that some incumbents may be hired into positions without all of the required experience, skills, and abilities for the longer-term expectations of the role. The range minimum is set at 85% of the midpoint. The midpoint of a salary range normally represents the salary for an employee who meets all qualifications of the position and is fully competent in the role. The midpoint is set at 100% of base pay.

The range maximum is set to define the highest appropriate salary for an exceptionally qualified candidate or an incumbent who has mastered the role and consistently demonstrated above plan performance. The range maximum is set at 115% of the midpoint.

Salary ranges are designed to overlap, such that the pay at the top of one range is similar to the pay at the bottom of the next range. The reason that salary ranges overlap is to recognize the greater value of the contributions from a highly experienced and skilled staff member at the top end of their grade compared with a newly appointed staff member on a learning curve at the lower end of the grade above. This overlap allows for differentiation between the value of a position to the organization and value of an incumbent in a role, reducing the natural tendency for high performing incumbents – and often their managers – to seek job re-evaluation to achieve a higher salary level.

5. Salary Ranges for Recruitment Purposes

To ensure internal equity and reduce compression, salary ranges for recruitment purposes will be from the range minimum (85%) to the midpoint (100%). Application to pay over the midpoint for a new employee will require recommendation from Associate Vice President Human Resources and approval of the Vice President and CFO.

6. Market Stipends

Where there is a notable market premium for specific positions, compensation can be addressed through providing a *re-earnable lump sum* market stipend in addition to the base salary policy level for that position. Application of a market stipend to positions will require recommendation from Associate Vice-President Human Resources and approval of the Vice President and CFO.

7. Responsibility Stipends

Responsibility stipends recognize staff members who have taken on additional administrative responsibilities. Stipends may be paid to any employee who temporarily takes on significant additional responsibility, usually associated with a higher classification. A temporary period is usually greater than one month and less than one year. Stipends for added temporary responsibilities must have recommendation by the assigned HR Consultant and approval of the Associate Vice-President Human Resources. Stipends will normally not exceed 10% of the incumbent's current salary.

Application of a responsibility stipend in excess of 10% will require exception recommendation and rationale from the position's most senior manager, review by the Associate Vice President Human Resources and joint approval of the responsible Vice President and the Vice President and CFO.

8. Organizational Change

Where there is a need for the university to implement organizational change, the positions affected by such change will be reviewed by the Executive Team and if applicable, will have new role profiles created and evaluated by the job evaluation committee. The incumbent will receive a new employment contract and their base pay will be placed within the evaluated position's salary range at no less than the minimum of the new salary range and no more than the midpoint of the range. Application to pay over the midpoint will require recommendation by the AVPHR and approval of the VPCFO.

9. Performance Pay

To re-confirm the underlying principle, RRU considers compensation planning from a performance-based, “total rewards” perspective.

Performance is measured for each staff through the yearly Performance and Development Planning Process (PDP). The RRU compensation system anticipates the potential for performance-based pay within the pay grade for staff with “Solid Performance” or “Exceptional” performance.

The overall internal ranking of all positions within the university is set out in a hierarchical scale, starting with the most senior position (President). Aligned with this scale, the RRU evaluation system provides a framework of the relative scope and overall impact of each position on the university’s outcomes and performance.

One Time Lump Sum Merit

The one-time annual lump sum merit structure is typically tiered such that the most senior positions have the higher overall percentage eligibility for the bonus payment consistent with these outcomes.

Lump Sum Merit Payments are awarded at the discretion of the university and are calculated using the base salary (including market stipends if applicable) as of March 31st. Normally, to be eligible to receive a lump sum merit payment, a manager or executive must have signed an employment contract for management positions, be active on the payroll, and receive an appropriate performance rating for the applicable period.

For the 2016-17, 2017-18 and 2018-19 performance years, with PSEC approval, Royal Roads addressed compensation for the Executive and Senior Management groups with a combination of a base salary adjustment and a portion of compensation paid in a lump sum merit payment. The University plans to continue this practice continuing to keep within the guidelines provided by PSEC and seeking approval as required for increases above the threshold.

For the 2020-21 performance year, per PSEC direction, there will be no merit pay by way of base salary adjustment and/or lump sum payment for the President or Vice President executive positions. Where the aging of salary ranges in alignment with the [Sustainable Services Negotiating Mandate](#)² and the B.C. Public Sector Employer’s Guide to Accountable Compensation (PSEC September 2018) leads to a Vice President salary falling below their respective salary range minimum, the university will submit a request to PSEC for adjustment to the new range minimum.

The Senior Management group will remain eligible for merit pay subject to the University’s ability to pay.

² <https://www2.gov.bc.ca/gov/content/employment-business/employers/public-sector-employers/public-sector-bargaining/mandates-and-agreements>

Merit Increases to Base

Base salary adjustments for exempt employees are considered on an annual basis following the financial year end. An employee's merit increase within the salary range is based on the individual's performance and the funds available for merit pay based on the financial performance of the university. The percentage awarded is determined by Human Resources in consultation with the Financial Services and Business Performance and Analysis teams.

10. Economic Adjustments and General Wage Increases

As per PSEC guidelines, RRU has aged salary ranges since 2016, consistent with the collective agreement amounts from the Economic Stability Mandate. In 2019, and on a go forward basis, RRU will continue to age our union and non-union salary ranges consistent with the increases negotiated with our unionized employees under the [Sustainable Services Negotiating Mandate](#) and the B.C. Public Sector Employer's Guide to Accountable Compensation (PSEC September 2018).

11. Other Monetary Benefits

Vacations	Management employees 20 days to start with graduated scale to a max of 25 days beginning in the 10 th year of service Non-management – 15 days to start with graduated scale to a max of 25 days beginning in the 10 th year of service http://policies.royalroads.ca/policies/vacation-policy-exempt-staff
Caregiving Leave	https://policies.royalroads.ca/policies/caregiving-leave-policy
Maternity Parental Leave	Salary Top Up http://policies.royalroads.ca/policies/maternity-and-parental-leave-policy
Other Leaves	Bereavement Elections - Federal, Provincial, Municipal Flood or Fire General Leave of Absence Medical / Dental Appointments Moving Day – 1 day per year Sick Leave - Accrue 1.5 days per month to maximum of 18 days per year Statutory Holidays http://policies.royalroads.ca/policies/types-leave-rru-policy
Appreciation Days	http://policies.royalroads.ca/policies/appreciation-days-policy
EFAP	Walmsley – 100% Employer paid https://humanresources.royalroads.ca/walmsley
Group Pension	College Pension Plan – management contract or RRUFA member or Municipal Pension Plan – non-management or CUPE member https://www.pensionsbc.ca/portal/page/portal/pen_corp_home/home/
MSP	Group plan enrolment with 100% employer paid via Employer Health Tax (EHT) https://humanresources.royalroads.ca/msp

Extended Group Benefits	<ul style="list-style-type: none"> • Extended Health Care Benefits: <ul style="list-style-type: none"> - 80% co-insurance for drugs, vision care, paramedical and professional services; - 100% co-insurance for emergency out-of-country/travel insurance - for employee, spouse and dependent children. • Dental Care: 100% basic and supplementary basic; 75% major and supplementary major and 50% for orthodontics - for employee, spouse and dependent children. • Term Life Insurance: Two times annual salary in the event of employee's death - this is taxable benefit. • Accidental Death and Dismemberment: Two times annual salary. • Dependent Life Insurance: \$10,000 per dependent (spouse and children) - this is a taxable benefit. • Long Term Disability Insurance: To a maximum of two-thirds of employee's monthly earnings - qualifying period of 17 weeks (Note: for LTD insurance, all employees except CUPE & RRUFA members pay for the premium). • Optional Life Insurance: Option to purchase (employee and spouse). <p>https://humanresources.royalroads.ca/benefits</p>
Relocation Assistance	http://policies.royalroads.ca/policies/relocation-assistance-policy
Statutory benefits	Worksafe BC; Employment Insurance; Canada Pension Plan

12. Non-Monetary Benefits

Royal Roads wishes to create a highly engaged work culture, where employees value the contribution that they and their colleagues make to the University, the community, and the students at Royal Roads. Royal Roads should be viewed as a great place to work that offers in tangible rewards such as the opportunity to:

- Work for [an environmentally sustainable](#) organization
- Work within a respectful and safe work environment with support for [workplace wellness](#) and encouragement to balance professional contribution with personal needs and a healthy life style. This includes employer subsidized membership to an on-site [Recreation Centre](#) and [Flexible Work Arrangements](#).
- Grow professionally and personally with multiple opportunities for [professional growth and development](#) through:
 - [Centre for Teaching and Educational Technologies](#) (CTET) workshops in support of instructors and staff
 - [Professional and Continuing Studies](#) courses for employees
 - [LinkedIn Learning Training](#) which provide learning resources for work and non-work related learning
 - [Tuition Assistance](#) for employees and their families
- Work within an organization that supports [Equity, Diversity and Inclusion](#)
- Be recognized and appreciated for your service and contributions
- Work at a beautiful Westshore location with a variety of sustainable transportation options and low-cost parking.