

# THE CITY OF GREATER SUDBURY POLICIES AND PROCEDURES

**DEPARTMENTS:**

All Sections

**TITLE:**

Non Union Market Adjustment Criteria

**APPROVED BY:**

Senior Management Team (SMT)

**DATE:**

November 23, 2009

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## 1.0 **NEED FOR A POLICY**

The City of Greater Sudbury's (CGS's) ongoing pay philosophy supports the purpose of the Organization by ensuring jobs are compensated such that internal and external equity are achieved. When looking specifically at external labour markets, CGS's goal is to set total cash compensation competitively within the municipal market (CGS Salary Administration Plan 2004:4).

### 1.1 **External Equity – Overall Pay Grid**

In order to achieve this goal, a Market Study centered on determining CGS's overall external competitiveness shall be conducted annually. Its purpose however is not to look at individual positions or individual results. Rather, the Compensation Committee agreed back in October 2008 to use a group analysis approach, as it is less subjective and more widely accepted as representing pay trends for levels of work. This annual Study involves the collection of market data for a series of benchmark positions which is then used to generate pay lines in order to determine CGS's overall competitive position.

### 1.2 **External Equity – Individual Classifications**

Temporary market pressure, however, can often impact specific classifications within an organization and not others. As a result, individual market adjustments are often required to deal with these temporary imbalances in the market. Identifying when a market adjustment should be applied however, can be difficult. Although market imbalances can usually be confirmed through market surveys, sometimes this information can be skewed depending on a number of factors (e.g. quality of matches, number of matches, etc.). Moreover, market data is not always available for unique positions not commonly found outside the organization.

As a result, this Policy outlines a series of steps and criteria which must be followed and considered in order to ensure market adjustments are being appropriately and consistently administered.

**2.0 STEPS AND CRITERIA FOR DETERMINING  
WHEN A MARKET ADJUSTMENT IS APPROPRIATE**

When salary market competitiveness for a particular CGS position is being questioned the following initial steps should be taken:

Step 1:

Review the Job Description to ensure that it accurately reflects the duties and skills required to perform the job. If new duties/requirements have been added to the job the overall rating may no longer be appropriate. In such cases, the Job Evaluation Maintenance process should be initiated by contacting your Co-Ordinator of Human Resources in jurisdiction.

Step 2:

Ensure proper compression differentials exist per Policy. If you believe compression may be at issue, contact your Co-Ordinator of Human Resources in jurisdiction. He/she will review the necessary information to determine whether or not a compression adjustment is appropriate.

Subsequent to Steps one (1) and two (2), a market adjustment may be warranted if the job evaluation rating for the position in question is *officially ratified (is no longer subject to review)*, and if;

- a) approved market data indicates that significantly higher compensation is being paid by organizations within our comparator group (note: "significant" means a market variance greater than ten (10%) percent - based on at least seven (7) of our fifteen (15) Municipal comparators) and is substantiated by market trends over at least a two (2) year cycle,

**And;** in support of sound compensation practices and in order to comply with Pay Equity Guidelines regarding market adjusted wages,

- b) at least one (1) of the following additional conditions have been met and these conditions are anticipated to continue over the next few years or longer:
  - i) Demonstrated difficulty in recruiting qualified candidates. Specifically, we cannot fill the position, or the candidate pool is “consistently” comprised of more junior skilled individuals (i.e. posted the position at least twice (2) over a minimum six (6) month period based on broad search areas);
  - ii) The candidate pool is comprised of qualified candidates, but the preferred

applicant “consistently” rejects the offer of employment due to the lower compensation level (i.e. based on at least two (2) different recruitment drives over a six (6) month period).

**Note:** An Offer is only considered rejected if an Offer Letter was presented to the preferred candidate and they opted to not sign the Employment Contract. All Employment Offers, whether they are accepted or not, must be documented in the recruitment file so these claims can be confirmed by Human Resources and Organizational Development (HR&OD).

- iii) New hires “repeatedly” require longer training periods to meet position expectations given that they just meet the minimum qualifications to do the job (i.e. based on at least two (2) hires over a one (1) year period) or a Training Opportunity was posted and the Successful Applicant was unable to perform the job duties satisfactory within a reasonable period of time (i.e. probationary period) and in both circumstances this poor performance/lack of skill was documented in their performance review.
- iv) Position is experiencing above average turnover rates (i.e. retention difficulties) (i.e. at least two (2) employees have left the position within a two (2) year time period).

**Or;**

- c) If market data is unavailable - as outlined in bullet a), at least two (2) of the conditions listed in b) have been met.

**Note:** It is important to ensure that the hard qualifications (i.e. Education and Experience) reflect minimum job requirements before determining whether or not the conditions listed under b) are representative of a market imbalance.

## 2.1 Appeal Process

Market adjustment eligibility shall be decided by the Co-Ordinator of Compensation and communicated to the Hiring Manager. If unsatisfied with the decision, the Hiring Manager can appeal the decision to their SMT Member in jurisdiction, who will review the matter with the Director of Human Resources and Organizational Development. If agreement is still not reached, the matter shall be brought forward to the attention of the CAO, who will make the final decision.

### 3.0 TEMPORARY WAGE ADJUSTMENT

It must be clearly communicated on all applicable documentation (i.e. Job Posting, Offer Letter, and/or Outcome Letter) that all market adjustments are considered as temporary wage adjustments and should market conditions change the adjustment can and will be eliminated at any time.

**Note:** All applicable templates will be amended to include an optional paragraph outlining the reasons for the temporary market adjustment and what will happen if and when the market should correct itself (See Appendix 1).

If an Incumbent is being paid at a market adjusted rate of pay and the adjustment is no longer deemed appropriate, their current rate of pay will be red circled until such time as the new job rate equals his/her frozen rate of pay.

If a market adjusted position becomes vacant, market conditions shall be reviewed prior to the job being posted to ensure that the adjustment is still appropriate.

### 4.0 TRANSITIONAL PROVISIONS

As part of the transitional process, all positions which are currently market adjusted will be reviewed by HR&OD in order to determine whether or not a market adjustment is still warranted.

In cases where an adjustment is no longer deemed to be appropriate, HR&OD will notify the Incumbent(s) (and their Supervisor) through written correspondence (See Appendix 2). Specifically, the letter will indicate that although their position no longer qualifies for a market adjustment, their rate of pay shall remain unchanged (i.e. grand parented with GWI's applying) as long as they hold their current position. Only once a job becomes vacant will the actual evaluated group rating be applied.

**Note:** This grand parenting provision is only applicable during the transition period following the review of all currently market adjusted positions, as it was only incorporated into the Policy in order to help ease its introduction.

### 5.0 ADMINISTERING MARKET ADJUSTMENTS

Market adjustments shall be administered by paying the position one (1) pay group above its evaluated pay grade and the temporary adjustment will be clearly noted on all applicable documentation (i.e. Job Posting, Outcome Letter to Incumbent, Offer Letter, etc.). Adjustments greater than one (1) pay group must be approved by the Director of Human Resources and Organizational Development and the CAO.

## Appendix 1

(On CGS Letterhead)

Hand Delivered (If Applicable)

### TEMPLATE #1 PERMANENT FULL TIME HIRE/PERMANENT PROMOTION (NON UNION)

Dear :

I am pleased to offer you ("continuing" if appropriate) employment with the City of Greater Sudbury commencing . Your position title will be . The duties and responsibilities of the position will be as outlined in the attached Job Description, and as reviewed with you in your employment interview.

Working in, you will report to the undersigned. You will be paid a bi-weekly (Non Union – "market adjusted") salary (Union - "an initial rate") of (Union "/hour") payable in arrears, (Non Union market adjusted "**This means you will be paid one (1) Group higher than the position's evaluated Group rating on a temporary basis until such time as the market corrects itself. Once this occurs, your rate of pay shall be red circled until such time as the new job rate equals your frozen rate of pay. All market adjustments will be reviewed on an annual basis.** (Non-Union "which will be reviewed in accordance with the City of Greater Sudbury's salary administration system") (Union - "based on a (STD work week applicable from Collective Bargaining Agreement) work week").

*Use Balance of Template #1 to complete Offer Letter.*

All other principal conditions of employment shall remain unchanged by your (transfer/promotion) to your new position.

I look forward to working with you and I am certain that you will find the City of Greater Sudbury an interesting and rewarding organization, which will ("continue to" - if applicable) offer you continuous challenges and career growth.

Sincerely,

**I acknowledge that I have had the opportunity to obtain independent advice with respect to this offer and I understand and accept the offer on the terms set out above.**

**ACCEPTED:**

**DATE:**

\_\_\_\_\_  
Signature



# Interoffice Correspondence

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Date:

## PERSONAL AND CONFIDENTIAL

**TO:**

**FROM:** Name

**RE: MARKET ADJUSTMENT CLASSIFICATION – NAME OF POSITION**

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As you may or may not be aware, the classification which you currently occupy is a market adjusted position. This means that although your classification was evaluated at a Group ##, you have been paid a Group ## (one group higher) due to a market conditions.

Recently, a new Policy was adopted by the Senior Management Team outlining specific criteria which must be met in order for a position to qualify or continue to qualify for a temporary market adjustment. This Policy called for a review of all classifications currently receiving market adjustments in order to determine whether or not they are still appropriate.

As a result of this review, it was determined that your classification no longer meets the requirements for a market adjustment. However, given that the criteria developed is new, Incumbents who occupy classifications which no longer qualify for a market adjustment will not see their pay rate frozen or adjusted down. Rather, all Incumbents impacted by this new Policy shall be grand parented at their current rate of pay which includes receiving all applicable General Wage Increases (GWI's), until such time as they vacate their position.

If you have any questions or concerns regarding the information provided above, please feel free to contact myself or Shelley Carpenter, Co-Ordinator of Compensation.

Yours very truly,

XX:

**Compensation Officer**

cc: Employee's Supervisor  
Co-Ordinator of Human Resources  
Employee's File