

Report of the Joint Merit Committee



and



UNIVERSITY OF SASKATCHEWAN

Respectfully Submitted:
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Preface

The Joint Merit Committee (JMC), comprised of representatives from the Administrative and Supervisory Personnel Association (ASPA) and the University of Saskatchewan Human Resources (HR), is pleased to announce the completion of our work.

1. The Memorandum of Agreement RE: ASPA Merit (MOA), signed by ASPA and HR representatives.

The MOA contains the negotiated changes in respect to the process for determining merit increases for ASPA members, and it forms part of the collective agreement.

2. Report of the Joint Merit Committee

This report does **not** form part of the collective agreement. The principles and recommendations contained within this Report are not binding on the parties unless the parties subsequently agree in writing to incorporate any of these principles and recommendations into the collective agreement.

The principles and recommendations described within the report are intended to provide guidance and advice to the parties in implementing the MOA. To that end, the report provides an overview of how the new merit model was developed, and how the redesigned system will work. It also outlines the roles, responsibilities and accountabilities of ASPA members, their supervisors and unit leaders, as well as of ASPA, HR and a new Merit Audit Committee. The most significant changes to the ASPA Merit System are outlined in the "Summary of Changes" section of the Report.

The JMC encourages all stakeholders to review both the MOA and the Report of the Joint Merit Committee.

1. Introduction

1.1. *History of ASPA Merit Awards*

ASPA has had a long standing merit process available for its members who demonstrated proficiency, growth and levels of performance considerably better than what might generally be viewed as “normal.”

A Salary Review Committee was established on an annual basis to review and approve merit recommendations. The Committee was chaired by the Vice-President (Finance and Administration) and included representatives from ASPA and senior academic and administrative staff. The ASPA representatives fully participated in the discussions, but had non-voting status.

In the 1991-93 collective agreement, the parties negotiated merit awards that would be in the form of base salary adjustments or one-time bonus payments. The one-time bonus payment was primarily for members who were at the top of their pay scale and were therefore not eligible for base salary adjustments.

In the 1999-2002 collective agreement, the parties negotiated set amounts to be allocated for base salary merit and for one-time bonus payments.

As ASPA membership grew, the efficiency and effectiveness of the Salary Review Committee decreased and it became more challenging for College and Administrative Heads to prepare meaningful submissions for the Committee to review. As well, the increasing number of submissions along with the variety of submissions increased the difficulty in making decisions on awarding merit through a centralized approach.

In 2007, the parties negotiated to suspend the merit process for 2006/07 and agreed to establish a Joint Merit Committee to develop a merit model to complement ASPA's compensation system.

1.1.1. Memorandum of Agreement on the Joint Merit Committee

The 2005-2008 contract agreement states:

“The Association and the University jointly recognize the need to establish a Joint Merit Committee to develop a merit model to complement the compensation system developed by the Joint Job Evaluation Committee. The committee shall include a maximum of three (3), and a minimum of two (2), representatives of the Association and a maximum of three (3), and minimum of two (2), representatives of the University. The process for determining merit increases shall be negotiated between the parties.
3 April 2003”

Please refer to the Terms of Reference in Appendix A.

1.1.2. Distribution of ASPA Membership

The following table shows the breakdown of ASPA member's full-time equivalency (FTE) by family and phase of the compensation model:

	Phase 1	Phase 2	Phase 3
Instructional	36.92 FTE	40.60 FTE	
Information Technology Managerial	52.10 FTE	87.70 FTE	45.90 FTE
Operational/ Administrative Specialist/ Professional	44.65 FTE	89.30 FTE	51.00 FTE
	16.80 FTE		
	176.77 FTE	195.06 FTE	34.40 FTE

2. Joint Merit Committee (JMC) Process

The JMC met approximately 50 times from October 2007 through April 2008; the commitment included 2-3 meetings weekly and resulted in approximately 90 total hours of joint meeting time. Activities included research, developing and conducting a survey and discussion of University of Saskatchewan compensation strategies and models as well as a review of the current merit system. Review and discussion of common principles and interests, roles and decision-making models for merit also took place.

ASPA members of the JMC held separate meetings to develop an understanding of the compensation model, contract provisions and the merit award system, and to discuss roles and decision-making models, and criteria for merit.

A great deal of work occurred outside of JMC meetings. Committee members researched other organizations' merit systems for employee groups that were similar to ASPA, including other public sector medical doctoral universities in Canada. The analysis covered the employee structure, compensation structure (pay grades, broad bands, etc.), merit structure, collective agreement language regarding merit, and merit decision-making processes. Please refer to Appendix D for a summary of this research.

In addition, the JMC researched books and articles regarding merit pay systems. Please refer to Appendix F for a summary of the resources used.

ASPA members, supervisors of ASPA members and other organizational leaders participated in a comprehensive survey on the ASPA merit system, which was used to inform and support the recommendations of the JMC. Please refer to Appendix D for a summary of the survey results.

The JMC also consulted Budget Management to discuss University budgeting processes and how Budget Management would be able to support university colleges and departments in the various approaches to merit decision-making.

The original completion date of the Committee's work was scheduled for January 31, 2008. However, with the time lost during the labour disruption, the Committee and AECC jointly agreed to an extension of the timeline to March 2008.

The JMC was a positive and collaborative experience for the participants. The Committee, focused on common interests, developed a respectful and productive working relationship and demonstrated open and honest dialogue and a willingness to share and discuss ideas.

Please refer to Appendix B for a list of the JMC members.

3. Principles Supporting the ASPA Merit System

The JMC identified the following principles to guide its discussions:

Effective

Any merit system is only as effective as the way in which it is used. It is critical that all stakeholders fully understand not only the processes, but also their responsibilities within the system. Underlying this principle, is the requirement for educational initiatives that are comprehensive and on-going.

Equitable

An effective merit system must provide similar opportunity for all members to benefit, and must take into account the broad range of positions filled by ASPA members, including those that are primarily self-directed. In addition, the merit awards must be provided in a consistent manner across the membership and appropriately reflect the criteria established.

Accountable and Transparent

In order for a merit system to effectively provide incentive to members, it must be fully accountable with an appropriate level of checks and balances. It is also important that the decisions in any given year are reported to the individual ASPA members and their supervisors including the reasons why awards were, or were not, given.

Engaging and Affirming

For a merit system to motivate and engage members, it must recognize exceptional growth as well as continued meritorious application of skills and competencies. A merit system is intended to provide recognition to members for their work accomplishments and achievements. Tangible and significant awards of merit affirm to members that their efforts and contribution to their unit are recognized and valued.

Flexible

If the ASPA Merit System is to retain its effectiveness over time, flexibility must be built into the design. This is expected to include regular review, followed by a process by which changes are recommended, considered, authorized and implemented.

4. Redesigning the ASPA Merit System

Taking into consideration the guiding principles outlined in section 4, research of other organizations' models and careful review of the results provided by the survey of the ASPA membership, the JMC negotiated a Memorandum of Agreement RE: ASPA Merit.

4.1. Summary of Changes per MOA

4.1.1. Elimination of the Salary Review Committee

Given the size of ASPA membership and the significant concerns raised regarding the ineffectiveness of the centralized Salary Review Committee, the Committee negotiated the elimination of the Salary Review Committee and its role in merit decision-making. The Committee strongly believes that decision-making on merit awards using a decentralized process will provide a more equitable opportunity to have performance recognized in an effective manner. This decision was supported by the over 79% of all respondents to the merit survey who said 'supervisors' or 'department head/unit or college leaders' should be responsible for making decisions to grant merit awards.

4.1.2. Decentralized Decision-Making

Survey results indicated the majority of respondents (79%) support a decentralized model and clearly believed that Leaders have the best knowledge of the process that will best suit their Unit's needs. The Committee negotiated the adoption of a decentralized model of decision-making where Leaders are responsible for the merit decision-making in their Unit. Decentralized decision-making better ensures that the accountability for award decisions lies with those that are in the best position to make merit recommendations.

Please see Section 7 of this report for further information and possible options that Leaders should consider in determining the process for their Unit.

4.1.3. Funding and Elimination of Special Action

Special Action was to provide compensation to members who had been assigned and undertook extra or additional duties beyond the normal scope of their position. The Committee agreed that separate Special Action awards be discontinued as they are redundant to requests under "Article 9.4.1. - Additional Assignments" of the ASPA Collective Agreement. The Committee further negotiated that the funding associated with Special Action be rolled into lump sum merit bonuses. No other changes to the funding formula were negotiated.

4.1.4. Broadened Eligibility for Merit

It has been past practice that ASPA members must be in the same position as of May 1st of the previous year in order to be eligible for merit. This meant, an ASPA member who started in July, and stayed in the same position and same department, would wait 22 months before being eligible for merit. Therefore, the Committee agreed that members be considered eligible for merit if they have been in their current position, in the same department, as of November 1st of the merit review

period. This means that ASPA members are eligible after 6 months within the same position, in the same department. The merit review period remains the University fiscal year (May 1 to April 30).

4.1.5. Establishment of a Merit Audit Committee

In the interest of transparency, and in order to have an effective mechanism to review and modify the ASPA Merit System, the Committee negotiated the establishment of a Merit Audit Committee to annually make recommendations on improvements/enhancements to the merit process. Further information on the role and accountabilities of this Committee is provided in Section 6 of this report.

4.1.6. Merit Award Amounts

The Committee negotiated that, of the ASPA members eligible for merit, up to 10% of ASPA members are to be recommended for base salary increases and up to 15% of ASPA members are to be recommended for lump sum bonuses. All available funds will be disbursed to these meritorious recipients thereby determining the percentage amount of the awards. Please refer to Section 8 of this report for further information on calculation and distribution of merit funds.

4.1.7. Timing of Merit Awards

By agreement of the parties, the 2007/2008 ASPA Merit Awards decisions have been deferred to fall 2008 in order to provide adequate time to develop the decentralized decision-making structure in each Unit, and to develop and deliver the key educational components. Base salary increase merit awards will be retroactive to July 1st, 2008.

The Committee recommends that, beginning in the 2008/2009 fiscal year, unless otherwise negotiated through collective bargaining, the ASPA Merit Award decisions occur in June and be effective on July 1st of each year.

5. Stakeholders and their Responsibilities

The JMC gave careful consideration to clarifying roles and responsibilities of each stakeholder group in the ASPA Merit System. These roles and responsibilities are outlined below:

5.1. ASPA Members

- Participate in work planning processes with their immediate supervisor(s)¹;
- Assist in developing/updating a job profile for their position;
- Participate in performance discussions outlining their progress, development plans, goals, etc. with their immediate supervisor(s);
- While it is expected that immediate supervisors will submit the majority of recommendations, approximately 7% of the ASPA membership completing the survey identified as having a situation where their work is primarily self-directed

¹ Members may work within matrix organizational structures where more than one supervisor may need to be consulted.

(minimal or no consultation with a supervisor). In this situation, prior authorization must be obtained from the Unit Leader to submit a self-initiated recommendation.

- Provide any information the merit system process requires including
 - Report on accomplishments in comparison to the goals set out
 - Highlight accomplishments which may be meritorious
 - Provide relevant documentation and Merit Audit Committee information as required
- Discuss any disagreement they have with the merit decision process and results with their immediate supervisor(s) and if not satisfied with the outcome of such discussions, then file a formal audit request for review to the Merit Audit Committee.

5.2. Immediate Supervisors

- Relay business objectives and information on setting priorities (e.g. work plan or business plan for ASPA members they supervise);
- Participate in work planning and individual priority setting processes with ASPA members they supervise;
- Work with ASPA member(s) to develop/update job profiles;
- Coordinate with other immediate supervisors in cases where a matrix reporting structure is employed. For example, outline how performance evaluation and merit recommendation work processes will be completed;
- Understand the principles behind the ASPA Merit System and how to apply the processes involved;
- Ensure that the ASPA members they supervise, understand the ASPA Merit System;
- Conduct a performance review with each ASPA member they supervise as per the ASPA collective agreement;
- Participate with ASPA members they supervise, in performance discussions including outline progress and accomplishments, development plan, goals; provide overview of areas of achievement; assist in implementation of development plans, track accomplishments;
- Review their entire work group(s) to determine merit recommendations;
- Complete merit award recommendation(s) and forward to decision-makers in their unit within established timelines;
- Receive merit award decisions and inform the ASPA members they supervise of the merit outcomes;
- Provide comments and recommendations on the effectiveness of the Unit's process to the Unit's decision-making group and/or Merit Audit Committee;
- File request for merit audit review in cases of disagreement with decision; and
- Provide requested information by the Merit Audit Committee or any other information the merit system process requires.

5.3. College and Administrative Leaders

- Lead the ASPA merit process within their Unit;
- Ensure the overall university timelines are met;

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- Ensure the efficiency and effectiveness of the ASPA Merit System by:
 - Determining the ASPA merit decision-making structure within their Unit including deciding who is responsible for making the decisions for their Unit;
 - Ensuring timelines are met;
 - Ensuring thresholds are used appropriately (e.g. budget, number of awards);
 - Ensuring others are executing responsibilities properly (e.g. ASPA members, immediate supervisors, decision-makers);
 - Ensuring ASPA members whose work is primarily self-directed (with minimal consultation with a supervisor) obtain the appropriate authorization to submit a self-initiated recommendation;
 - Providing support as needed; e.g. request HR seminar for unit, direct coaching;
 - Ensuring immediate supervisors receive the coaching and guidance needed to improve in meeting their responsibilities regarding the performance review and merit system processes;
- Evaluate the ASPA Merit Systems processes within their Unit and implement changes as needed, including debriefing with managers, decision-making body, ASPA members in the unit;
- Implement required changes (in accordance with internal requirements, ASPA Collective Agreement, MOA, and management process as established by the University);
- Provide or give final approval of the decentralized merit award decisions for their unit and forwarding necessary paperwork to Human Resources.

5.4. Decision-Makers

Various models for making the decisions have been described in Section 7 of this report. Regardless of which one a Unit implements, the decision-maker(s) should:

- Have a thorough understanding of the ASPA Merit System;
- Ensure immediate supervisors and ASPA members understand the ASPA Merit System;
- Use merit recommendations and the Unit's objectives and priorities to inform decisions about who will receive merit award;
- Provide information about the Unit's merit award process and timelines to ASPA members and supervisors within the Unit as well as to Human Resources;
- Ensure integrity of the ASPA merit process across their Unit by:
 - Reviewing merit recommendations and determining merit awards;
 - Addressing deficiencies in immediate supervisor's knowledge or completion of the recommendations;
 - Participating in discussion of merit recommendations with immediate supervisors;
 - Ensuring consistent communication and communicating broader outcomes of the merit process;
 - Providing recommendations on the effectiveness of the unit's process and improvements to the Merit Audit Committee;

- Responding to requests from the Merit Audit Committee (e.g. information about decisions, the decentralized decision-making structure, etc. as required);
- Communicating outcomes of the process with the unit's ASPA membership (and immediate supervisors)

5.5. Human Resources

- Establish and evolve the application of the ASPA Merit System process respecting relevant negotiation processes to ensure the needs of the University, the ASPA membership and the Leadership are met; this should include:
- Consult and collaborate with all stakeholders regarding how the process is working, including suggestions for improvement from each;
- Educate and coach on how ASPA Merit System works for all stakeholders;
- Communicate timelines and provide necessary content;
- Engage Leadership for participation on the Merit Audit Committee;
- Collect, collate and provide supporting information required to conduct the annual merit process;
- Identify ASPA members who meet merit eligibility criteria within each Unit;
- Collect and collate merit information post-merit review process including:
 - Calculating value of merit as per the collective agreement;
 - Ensuring collective agreement and MOA provisions are followed;
 - Filing merit forms for each employee;
 - Answering enquiries from stakeholders in the ASPA Merit System;
 - Providing trend and utilization reports to the Merit Audit Committee as well as to Leadership;
 - Requests for an audit of a unit's process;
 - Organizing and offering workshops, one-on-one consulting, etc. for education on all aspects of the process, criteria, management functions in general;
 - Developing templates to be used for communicating recommendations, results, etc.;
 - Maintaining information on how the process works, what participants needs to do, timelines as appropriate.
- Provide merit award information to Payroll & Payment Services.
- Generate merit letters, including new pay information where applicable;

5.6. Merit Audit Committee

- Review annually, the overall ASPA merit process as well as the merit process for each Unit, and make recommendations for continual improvement. This committee cannot overturn merit award decisions but will look at processes in order to improve them;
- Review trend analyses information provided by Human Resources;
- Solicit information on the process from all stakeholders using surveys, focus groups, etc. as appropriate;
- Perform an audit of the process for a random sample of Units on an annual basis

- Accept and process audit requests;
- Provide a summary of the annual audit and recommendations to HR and ASPA Executive;

5.7. Administrative and Supervisory Personnel Association (ASPA)

- Assist and engage in the education process associated with the ASPA Merit System;
- Consult and collaborate with Human Resources and Leadership on behalf of the membership regarding how the process is working, including suggestions for improvement;
- Establish and evolve the application of the ASPA Merit System as outlined in the collective agreement through the negotiation processes to ensure the needs of the University, the ASPA membership and the Leadership are met;
- Appoint members to the Merit Audit Committee.

6. Decentralized Merit Award Decision-Making Options

The JMC explored the following decision-making options to assist the Unit leader (Dean/Director/AVP) in determining an appropriate decentralized merit award process within the Unit:

- College or Unit Leader (Dean/Director/AVP)
- Management Team
- College or Unit Leader and their Management Team
- Other structure suitable to College or Unit

Leaders will need to give careful consideration to the management structure and operating processes within their Unit while developing the decision-making structure for the Unit.

Unit's Leader (Dean/Director/AVP)

It may be appropriate to have the Leader as the sole decision-maker, if the Unit has a small number of ASPA members; if the management team are all ASPA members; if the Leader has a thorough understanding of all ASPA members and their work contributions within the Unit.

With this decision-making structure, it is important to understand that the Leader does not have others to assist in the decision-making. The Leader will be 100% accountable for the decisions made (as well as for establishing the structure for making them).

Management Team

The Unit Leader may want to delegate the decision-making to the management team such as the Associate Dean(s) or Director(s) within the Unit. Such a decision-making structure may be suitable in a very large Unit and if the Leader has limited knowledge of ASPA members' contributions.

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This model requires the development of internal guidelines on allocating the defined merit distribution within the Unit, limiting, without restricting, the broad Unit discussion on what and who is meritorious. Also, this model must include a clear alternate decision-making procedure if consensus cannot be reached.

Unit Leader and Management Team

The Unit Leader along with the Unit's Management Team jointly decide who will receive merit. This model creates an opportunity for discussion between the Leader and the Unit's Management Team. It is appropriate in situations where the Management Team has a stronger understanding of the ASPA members' contributions, where the Unit has a large number of ASPA members or is physically dispersed.

With this decision-making structure it will be important to be able to reach consensus and the structure must have a clear alternate decision-making procedure if consensus can not be reached.

ASPA members can be part of the decision-making process regarding salary awards listed above. It is expected they not be part of a discussion or decision about their own awards. If ASPA members are part of the process for making salary decisions, transparency of the decision-making process is of utmost importance.

The above are suggestions to help guide the Leader in determining a decentralized decision-making method. Leaders should develop a structure that is suited to the Unit's organizational structure; other methods more suitable to a Unit may be developed. If a Leader requires further assistance in determining a process, the assigned Human Resources Consultant is available for assistance.

7. Funding the Merit Award System

The redesigned ASPA Merit Award System includes a fundamental shift in calculating merit award amounts, expending all negotiated funds annually and determining how many of a Unit's meritorious ASPA members can receive monetary merit awards. Further specifics are outlined below:

7.1. Merit Amount Allocation

Currently, the ASPA collective agreement states:

- Up to 0.35% of the total ASPA annual payroll is allocated for regular merit increases (base salary increase);
- Up to 0.35% of the total ASPA annual payroll is allocated for one-time merit increases (lump sum bonus); and
- Up to 0.10% of the total ASPA annual payroll is allocated for special action.

Under the Memorandum of Agreement Re: ASPA Merit, funding allocated for Special Action is rolled into funding for lump sum bonuses. Therefore allocated funds for:

- Base salary increases remain at 0.35% of the total ASPA annual payroll² and;
- Lump sum bonuses increase to 0.45% of the total ASPA annual payroll.

7.2. Merit Distribution

The membership strongly prefers a decentralized merit decision-making structure. Taking into consideration the amount of the current ASPA merit budget allocation, and full expenditure of the existing budget allocation, and, in order to provide the best balance between the number and amount of Merit awards, the new Merit System has a defined (forced) merit distribution of up to 25% of eligible ASPA members. The 25% allotment is further broken down to provide up to 10% of eligible members with a base salary increase, and up to 15% of eligible members with a lump sum bonus.

Before the end of the Merit review period, Human Resources will provide each Unit Leader with a list of eligible ASPA members within the Unit.

7.3. Merit Amount Calculation

Human Resources will provide to Leaders the specific numbers corresponding with up to 10% of ASPA members who can be awarded a base salary increase and up to 15% of ASPA members who can be awarded a lump sum bonus within the Unit. For example, in a Unit with 100 eligible ASPA members, up to 10 members in that unit can be awarded a salary increase, and up to 15 members can be awarded a lump sum bonus. Note that rounding to a whole number of eligible members will always occur. Small unit allocations will be closely reviewed to ensure equity for the membership.

Unit Leaders, using the decision-making structure they have developed for the Unit and the completed merit recommendation forms as a basis for their decisions, determine which of the ASPA members within their Units will receive either of the two types of Merit awards. All completed merit recommendation forms, as well as the lists of members awarded merit, are then forwarded to Human Resources.

Using the lists received from all of the Unit Leaders, Human Resources will calculate the following:

- The total salaries of members to receive a base salary increase merit award, and;
- The fixed percentage to be applied to each award recipient's individual base salary. The percentage is obtained by dividing the total actual salaries of all ASPA members being awarded a salary increase by the total merit budget allocation for salary increases.

² The annual allocation is based on actual ASPA salary expenditures as of February and projections to the close of the fiscal year.

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For example, if the total salary of those to receive a salary increase is \$5,000,000 and the total budget for salary increase merit awards is \$196,000, each meritorious member will receive a salary increase equal to roughly 3.92% of her or his actual salary.

<i>In the example, if the Total ASPA Payroll =</i>	\$ 56,000,000	<i>Per Contract: Percent and Amount for Base Salary Awards</i>		<i>Percent for Each Award</i>
<i>Percent of payroll for base salary increase</i>		0.35%	\$196,000	
<i>In the example, the total salaries of members to receive a base salary award =</i>	\$ 5,000,000			3.92%

<i>If your annual salary =</i>	\$ 48,165.00	\$ 62,631.00	\$ 79,170.00
<i>and you are awarded a base salary increase at</i>	3.92%	3.92%	3.92%
<i>Your new annual salary =</i>	\$ 50,053.07	\$ 65,086.14	\$ 82,273.46

Similarly, the total Merit budget allocation for lump sum bonuses is divided into the total actual salaries of all ASPA members being awarded a lump sum bonus, yielding a fixed percentage which is multiplied against each individual salary to determine the actual amount of each award recipient's lump sum bonus award.

For example, if the total salary of those to receive a lump sum bonus is \$7,500,000 and the total budget for lump sum bonus merit awards is \$225,000, each meritorious member will receive a lump sum bonus equal to approximately 3.36% of her or his actual salary.

<i>If the if Total ASPA payroll =</i>	\$ 56,000,000	<i>Per Contract: Percent and Amount for Lump Sum Bonus Awards</i>		<i>Percent of Award</i>
<i>Percent of payroll for lump sum bonus payments</i>		0.45%	\$252,000	
<i>In the example, the total salaries of members to receive lump sum bonus payments</i>	\$ 7,500,000			3.36%

<i>If your annual salary =</i>	\$ 48,165.00	\$ 62,631.00	\$ 79,170.00
<i>and you are awarded a lump sum bonus at</i>	3.36%	3.36%	3.36%
<i>Your lump sum bonus will =</i>	\$ 1,618.34	\$ 2,104.40	\$ 2,660.11

The result of this change is that the merit budget is fully expended each year, and that all award recipients receive an award which represents a fixed percentage of each individual's salary. This percentage is expected to vary from year to year; modeling has shown that the range will be within 2% to 4%.

8. Recommended Educational Initiatives

A cornerstone to the successful implementation of the redesigned ASPA Merit System is both ASPA's and the University's commitment to regular and ongoing education activities. Having adequate opportunity to participate in educational events is important in addressing each principle underlying the ASPA Merit System: Effective, Equitable, Accountable and Transparent, Engaging and Affirming, and Flexible.

The key objectives of the educational activities are to ensure understanding of the ASPA Merit System—eligibility, timelines, and each person's responsibility within the roles.

Based on these principles and objectives, the JMC recommends that ASPA and the University actively work together to develop educational materials, including online training materials, joint information sessions and workshops for ASPA members, their supervisors and managers, Unit decision-makers, and other stakeholders of the redesigned ASPA Merit System. The JMC also identified the Human Resources Consultants as having key responsibilities in providing one-on-one education to their clients.

The JMC recommends that information sessions occur in May and June of 2008 and that workshops be offered in September and October of 2008. The JMC also recommends the workshops occur on an annual basis and focus on setting accountabilities, how to give and receive feedback, and understanding the ASPA Merit System. In addition, the JMC recommends that Units develop their own educational materials to orient new supervisors to the ASPA Merit System overall as well as the Unit's decision-making structure.

See Appendix C for a preliminary plan of the educational initiatives associated with the redesigned ASPA Merit System.

Appendices

A. Joint Merit Committee Terms of Reference and Members

**Between
The University of Saskatchewan
And
Administrative and Supervisory Personnel Association (ASPA)**

Introduction

Whereas the parties to this agreement recognize the value of an effective merit process and hold a joint stake in its successful implementation we agree to proceed with the execution of the Memorandum of Agreement re: Joint Merit Committee (JMC).

Objective of the Review

The main objectives of the review are:

- to negotiate the process for determining merit increases for ASPA members; and
- to develop specific recommendations to improve the merit process; and
- to develop a merit model to complement the compensation system

More specifically, the review will be limited to examining processes based on the following:

- Roles - composition of the Salary Review Committee (SRC) and roles of the SRC and unit management in merit recommendation and review
- Eligibility & Effective Dates – the definition of who will be deemed eligible/ineligible for merit and the timeline for its application, including those in cost-recovery units
- Value of Merit – the specific allocation used to award one-time and on-going merit to the member, review the definitions of merit, one-time, on-going, and special action, and revise as necessary
- Merit Funding – provisions to determine the allocation of unexpended merit

In addition, the committee may recommend changes in the areas described below. These recommendations will not form part of the Collective Agreement and will be implemented at the discretion of the Employer.

- Merit Budget – suggestions surrounding the budget allocation for the ASPA merit process

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- Education – strategies to improve understanding and consistency in the application of merit

Expected Outcome

The JMC shall produce the following:

- A report reviewing the potential strategies for improvement to the ASPA merit process.
- An interim Memorandum of Agreement which identifies specific changes to the collective agreement needed to implement the various recommendations.

The JMC will make recommendations no later than January 31, 2008.

Schedule

Meetings of the JMC will begin no later than one month following the date of signing of the Collective Agreement.

The JMC shall provide monthly progress reports at the Administrative Employees Consultative Committee (AECC) summarizing progress of their work, outlining problems and constraints encountered, and presenting issues for discussion, as required.

Committee

The JMC shall include a maximum of three (3) and a minimum of two (2), representatives of the Association and a maximum of three (3), and minimum of two (2), representatives of the University. Appointments to the JMC shall be made effective as soon as reasonably possible after the date of signing of the Collective Agreement.

B. Members of the Joint Merit Committee

Cheryl Carver, Human Resources
Mike Grevers, College of Agriculture
James Johannesson, University Advancement
Bonnie Korthuis, Research Ethics
Steve Laycock, Human Resources
Tyler Salloum, Student & Enrolment Services
Sharon Scott, Student & Enrolment Services
Chris Sherban, Information Technology Services
Raelin Zaparaniuk, Human Resources

In December, Mike Grevers resigned from his position on the Committee due to other commitments.

In January, Steve Laycock joined the Committee from Human Resources to support the process and assist with implementation.

JMC support: Annetta Gellner, ASPA Office

C. Examples of Calculating Amount of Merit

The following are examples of the calculations involved in determining annual merit award amounts; the numbers used are approximate. As a baseline, the example will use an ASPA payroll of \$56,000,000.

The process begins with Human Resources informing each Leader of the:

- Names of the ASPA members who meet the eligibility requirements of the Merit Award System
- The number of each type of merit award that can be given within the Unit according to the 10% (base salary) and 15% (lump sum bonus) structure.

Using the decision-making structure developed by the Unit, the evaluations and decisions on which ASPA members will receive base salary increase and/or lump sum bonus merit awards are made independent of calculating the amount of the merit award.

Base Salary Increase Example

1. The College of Forestry has 100 eligible ASPA members; according to the structure, up to 10 members can receive a base salary increase.
2. Using the decision-making structure developed by the College's leadership, the evaluations and decisions on which ASPA members will receive base salary increase merit awards are made.
3. The College of Forestry's list of ASPA members to receive base salary increase merit awards is forwarded to Human Resources.
4. Human Resources compiles a master list of all base salary increase merit awards **across the institution** and calculates the total salary amount. For the purposes of this example, we will use \$5,000,000 as the calculated total salary amount for meritorious ASPA members who are to receive a base salary increase.
5. With a total ASPA payroll of \$56,000,000, and the total budget for salary increase merit awards at 0.35% of the total ASPA payroll, the total base salary merit allocation is \$196,000.
6. The percent increase, if the total actual salaries of the members recommended for salary increase merits equals \$5,000,000 divided by \$196,000 (total base salary merit allocation) is approximately 3.92% of actual salary

In the example, the Total ASPA Payroll =	\$ 56,000,000	Per Contract: Percent and Amount for Base Salary Awards		Percent of Award
Percent of payroll for base salary increase		0.35%	\$196,000	
In the example, the total salaries of members to receive a base salary award =	\$ 5,000,000			3.92%

<i>If your annual salary =</i>	\$ 48,165.00	\$ 62,631.00	\$ 79,170.00
<i>and you are awarded a base salary increase at</i>	3.92%	3.92%	3.92%
<i>Your new annual salary =</i>	\$ 50,053.07	\$ 65,086.14	\$ 82,273.46

Lump Sum Bonus Example

1. The College of Forestry has 100 eligible ASPA members; according to the structure, up to 15 members can receive a lump sum bonus merit award.
2. Using the decision-making structure developed by the College's leadership, the evaluations and decisions on which ASPA members will receive lump sum bonus merit awards are made.
3. The College of Forestry's list of ASPA members to receive lump sum bonus merit awards is forwarded to Human Resources.
4. Human Resources compiles a master list of all lump sum merit awards **across the institution** and calculates the total salary amount. For the purposes of this example, we will use \$7,500,000 as the calculated total salary amount.
5. With a total ASPA payroll of \$50,000,000, the total budget for lump sum bonus merit awards at .45% of the total ASPA payroll is \$225,000
6. \$7,500,000 (total actual salaries) divided by \$225,000 (total lump sum bonus merit allocation) is approximately 3.36% of actual salary.

<i>If the if Total ASPA payroll =</i>	<i>\$ 56,000,000</i>	<i>Per Contract: Percent and Amount for Lump Sum Bonus Awards</i>		<i>Percent of Award</i>
<i>Percent of payroll for lump sum bonus payments</i>		<i>0.45%</i>	<i>\$252,000</i>	
<i>In the example, the total salaries of members to receive lump sum bonus payments</i>	<i>\$ 7,500,000</i>			<i>3.36%</i>

<i>If your annual salary =</i>	<i>\$ 48,165.00</i>	<i>\$ 62,631.00</i>	<i>\$ 79,170.00</i>
<i>and you are awarded a lump sum bonus at</i>	<i>3.36%</i>	<i>3.36%</i>	<i>3.36%</i>
<i>Your lump sum bonus will =</i>	<i>\$ 1,618.34</i>	<i>\$ 2,104.40</i>	<i>\$ 2,660.11</i>

Outline of Educational Initiatives for 2008

Key Objectives	Audience	Recommended Implementation Schedule	Recommended Methods of Delivery
<p>Ensure an understanding the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Initiating Recommendation ▪ Decision-making within your Unit ▪ Timeline ▪ Individual responsibility ▪ Resources available 	<p>ASPA Member</p>	<p>Upon hiring</p> <p>September 2008</p>	<p>Unit's employee orientation process</p> <p>Online training materials</p> <p>Workshops (tentative titles)</p> <ul style="list-style-type: none"> ▪ Creating Accountability Statements ▪ How to Give & Receive Performance Reviews ▪ Merit System
<p>Applying the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Initiating Recommendation ▪ Decision-making within your Unit <p>Ensure an understanding the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Timeline ▪ Individual responsibility ▪ Resources available 	<p>Immediate Supervisor</p>	<p>Upon hiring</p> <p>September 2008</p>	<p>Unit's employee orientation process</p> <p>Online training materials</p> <p>Workshops (tentative titles)</p> <ul style="list-style-type: none"> ▪ Creating Accountability Statements ▪ How to Give & Receive Performance Reviews ▪ Merit System
<p>Applying the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Initiating Recommendation ▪ Decision-making within your Unit ▪ Budget <p>Ensure an understanding the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Timeline ▪ Individual responsibility ▪ Resources available (Unit Operating Plan) 	<p>Decision-makers</p>	<p>September 2008</p>	<p>Online training materials</p> <p>Workshops (tentative)</p> <ul style="list-style-type: none"> ▪ Merit System

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Key Objectives	Audience	Recommended Implementation Schedule	Recommended Methods of Delivery
<p>Applying the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Initiating Recommendation ▪ Decision-making within your Unit <p>Ensure an understanding the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Timeline ▪ Individual responsibility ▪ Resources available <p>How to establish the decision-making structure within the Unit:</p> <ul style="list-style-type: none"> ▪ Options along with strengths or weaknesses ▪ Balance cost of the process with the need for transparency and clarity within the Unit 	<p>Leadership</p>	<p>Summer 2008</p>	<p>Guide to Establishing Merit Decision-Making Structure</p> <p>One-on-one consulting</p>
<p>Applying the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Initiating Recommendation ▪ Decision-making within your Unit <p>Ensure an understanding the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Timeline ▪ Individual responsibility ▪ Resources available 	<p>Merit Audit Committee</p>	<p>Fall 2008</p>	<p>Terms of Reference</p> <ul style="list-style-type: none"> • Detailed information on the role, authority, objectives <p>Orientation session</p>

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Key Objectives	Audience	Recommended Implementation Schedule	Recommended Methods of Delivery
<p>Applying the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Initiating Recommendation ▪ Decision-making within your Unit <p>Ensure an understanding the ASPA Merit Award System</p> <ul style="list-style-type: none"> ▪ Timeline ▪ Individual responsibility ▪ Responsibilities of each of the other stakeholder roles ▪ Resources available to all the stakeholders <p>How to establish the decision-making structure within the Unit:</p> <ul style="list-style-type: none"> ▪ Options along with strengths or weaknesses ▪ Balance cost of the process with the need for transparency and clarity within the Unit 	<p>HR Consultants</p>	<p>In advance of other stakeholders</p>	<p>All of above</p>

D. Research

Survey of Stakeholders

Overall Summary Results

There were 345 respondents, including both ASPA members and non-members who supervise or manage ASPA members, out of a possible 1298 respondents to the survey for a 26.6% response rate. There were 79 bounce backs (out of office) to the invitation to participate. Frequencies are noted below for the closed answer questions. Comments provided in response to the open-ended questions have not been statistically analyzed, but the most frequent ideas expressed have been summarized here.

Most respondents were ASPA members (71.01%, followed by 11.88% who were non-ASPA managers, and 17.10% who were both an ASPA member and a supervisor of ASPA members.)

Most work in administrative units (53.91%, followed by 33.04% in Colleges and 13.04% elsewhere.)

Nearly half of the ASPA respondents were recommended for merit-based pay since 2004 (49.01% compared to 21.5% who were not and 18.09% who weren't eligible because they were a new member and 11.84% who didn't know).

Less than a third of ASPA respondents received merit-based pay since 2004 (29.37% compared to 44.22% who did not, 18.48% who weren't eligible because they were a new member and 7.92% who did not know).

One third of ASPA members who responded have daily or weekly contact and receive feedback, encouragement and support, and set and review goals at least twice a year from the person who would make merit recommendations on their behalf (33.22% compared to 28.52% who have meetings this frequently but haven't set goals, 14.43% who meet once a year for performance review and salary adjustment recommendation, 9.06% who meet once a month or less and have not set goals, 7.38% who have set goals but meet once a month or less frequently, and 7.38% who don't know who will do their performance review and salary adjustment recommendation).

Respondents were asked to share any additional comments they had regarding their contact with their supervisor/manager. In summary they are:

- In spite of regular contact with supervisors/managers, many of the comments were about the lack of goal-setting, encouragement
- Staff in the academic units note that they generally have more distant relationships with the faculty that supervise them. Their work is autonomous and self-directed.

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- Leaves and turnover in supervisors/managers cause lengthy gaps in the performance review process for those who commented. Feedback and goal-setting was often not addressed early in a new supervisor's tenure.
- Positions which require reactive work tend not to do long term goal setting.

Nearly two thirds of ASPA members who responded developed work plans at least annually (62.57% compared to 37.43% who did not).

Nearly two thirds of respondents were somewhat or very familiar with the merit system under review (43.31% were somewhat familiar, 22.97% were very familiar, compared to 23.55% who were not very familiar and 10.17% who were not at all familiar).

Most respondents agreed that a merit system is important (80.41% compared to 14.04% who were 'neutral', 4.09% who did not agree and 1.46% who didn't have an opinion about it).

Half of the ASPA members who responded did not understand how to achieve exceptional proficiency, growth and levels of performance in their job (50.50% compared to 26.09% who were 'neutral', 21.74% who 'did not agree' and 1.67% who had no opinion).

More than half of the managers who responded to the survey understand how to evaluate exceptional proficiency, growth and levels of performance of the ASPA members they supervise (62.00% compared to 21.00% who were 'neutral', 13.00% who 'did not agree' and 4.00% who had 'no opinion').

The following is a summary of responses to what works well with the current merit system:

- Numerous comments that the current system does not work well. Also many do not feel familiar enough with the current merit system to comment.
- Some respondents noted that allowing/ensuring supervisors to recognize the good work, (proficiency, growth, taking on extra projects, going above and beyond) of their members works well.

The following is a summary of responses to what does not work well with the current system:

- Concerns that the central committee cannot understand the work that is done well enough to make informed decisions that are fair. Some suggested review by a third party.
- Lack of information to both ASPA members and supervisors of ASPA members: 1) about the decisions made with no explanation about why recommendations were changed or not approved; 2) about the expectations/criteria for merit; terms were subjective and undefined; 3) about the criteria to ensure that supervisors were making appropriate recommendations.
- The old system assumes that supervisors:
 - provide sufficient guidance to members they supervise on goals and expectations,

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- make recommendations on legitimately meritorious performance (and are not preferential or vindictive),
- have the skills to identify which members are performing meritoriously,
- can objectively discern meritorious performance based on subjective criteria,
- can communicate justification for merit recommendations.
- No opportunity for appeal.
- Cost-recovery units can't afford to give members merit; don't have access to merit funds.
- Supervisory staff in academic units' turnover regularly and as such ASPA members cannot be fairly assessed from year to year.
- Recommendations are denied while the merit budget is not fully utilized.
- Lack of trust, perception of a lack of fairness, transparency, accountability, information & communication all result in disillusionment and a decrease in morale.

The following is a summary of some respondents' suggestions for changes to the ASPA merit system:

- Departmental/unit-level control of review and awarding of merit
- Clear and objective criteria/definition of meritorious performance for members and supervisors
- Distribution of all available merit funds in each year
- Transparent and accountable process
- Explanations provided for recommendations which are not awarded merit
- Simplified recommendation form that allows for more objective decision-making (less reliance on the writing ability of supervisors)
- More input into award decisions by ASPA members (possibly unit-level committees with peers and supervisors to review recommendations)
- 360 degree feedback/input into merit recommendations, or option for someone other than a supervisor to make a recommendation
- Publicize list of who received merit with rationale
- Appeal process
- Get rid of merit system and return to annual increments
- Establish group merit awards
- Have 0%, 2%, 4%, 6% options to provide more levels of reward
- Allow merit adds-to-base for those at top of pay scale
- More information to new members about how the system works
- Alternatives to financial recognition would be good: time in lieu, letter from President, PAC membership, bus pass, Marquis meals, an 'honour roll' list of meritorious ASPA members.

Summary Merit System Process Table Description

The importance and satisfaction of various elements of the merit system process are summarized and evaluated.

1. First column shows the list of merit system process elements as provided to respondents.

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2. Second column shows the top 5 most important elements as identified by ASPA respondents.
3. Third column shows percentage of ASPA respondents who identified that element of a merit system process as one of the five most important.
4. Fourth column shows the percentage of ASPA respondents who said this element is not part of the existing system.
5. Fifth column shows average rating on 3 point scale of satisfaction with elements in current merit system process.
6. Sixth column shows relationship between the average satisfaction ratings by ASPA respondents and the importance ratings by all respondents.
7. Seventh column shows average importance ratings by all respondents.
8. Eighth column shows relationship between the average satisfaction ratings by supervisor/manager respondents and the importance ratings by all respondents.
9. Ninth column shows average satisfaction ratings (on a 3 point scale) by supervisor/manager respondents.
10. Tenth column shows the percentage of supervisor/manager respondents who said this element is not part of the existing system.
11. Eleventh column shows percentage of supervisor/manager respondents who identified that element of a merit system process as one of the five most important.
12. Twelfth column shows the top 5 (6 elements as there was a tie for fifth).

	ASPA						Supervisor/ Manager				
	ASPA 5 most important	ASPA 5 most important	ASPA - Not part of existing system	ASPA Satisfaction		Average Importance		Supervisor Satisfaction	Supervisor - Not part of existing system	Supervisor 5 most important	Supervisor 5 most important
1	2	3	4	5	6	7	8	9	10	11	12
Ability for an ASPA member to initiate her/his own merit recommendation		24%	30%	2.52	>	2.48	<	2.52	22%	19%	
Content of performance reviews provides a basis for merit recommendations		46%	10%	2.22	<	2.74	>	2.13	3%	49%	4
Decision-making process is transparent (i.e., I understand why decisions are made and can explain to ASPA members)	3	62%	15%	1.96	<	2.94	>	1.46	4%	71%	2
Evaluation process is transparent and I understand how I am being evaluated and/or how to evaluate others	2	67%	13%	1.93	<	2.95	>	1.65	1%	74%	1
Merit award includes the opportunity for monetary incentive	1	70%	6%	2.26	<	2.88	>	2.28	1%	56%	3
Merit award provides recognition for accomplishments		29%	13%	2.21	<	2.74	>	2.06	3%	19%	
Merit decisions are linked to the timing of the performance review process		10%	7%	2.20	<	2.31	>	2.25	3%	12%	
Merit results show consistency in decision making	4	51%	13%	1.81	<	2.89	>	1.41	2%	43%	5
The merit system provides equal access and opportunity for all ASPA members		45%	14%	1.95	<	2.90	>	1.72	5%	24%	

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	ASPA						Supervisor/ Manager				
	ASPA 5 most important	ASPA 5 most important	ASPA - Not part of existing system	ASPA Satisfaction		Average Importance		Supervisor Satisfaction	Supervisor - Not part of existing system	Supervisor 5 most important	Supervisor 5 most important
1	2	3	4	5	6	7	8	9	10	11	12
Published recognition of the individual and the achievement		7%	34%	2.63	>	1.77	<	2.56	32%	4%	
Rationale for all ASPA merit award decisions is available to supervisors and ASPA members		15%	31%	2.35	=	2.35	>	2.07	26%	25%	
Rationale for your merit award decision is provided by you to ASPA members you supervise or manage	5	48%	21%	2.10	<	2.95	>	2.16	14%	25%	
Regular review of the merit criteria		14%	26%	2.23	<	2.82	>	1.88	11%	12%	
Regular review of the merit process		16%	25%	2.22	<	2.79	>	1.88	11%	14%	
Supervisor's or Manager's commitment to the merit recommendation process		36%	9%	2.22	<	2.93	>	2.59	1%	25%	
Supervisor's or Manager's knowledge in applying the merit process		30%	9%	2.12	<	2.94	>	2.02	1%	43%	5

Respondents also considered the following elements important:

ASPA members:

- Appeal process
- Remove 'experience' from equation, and reward performance
- Decision-making by supervisors, not to be overturned outside of the unit
- Transparent decision-making process
- Allow members in cost-recovery units to be eligible for merit outside of their unit budget

Supervisors/Managers:

- Accountable and transparent process
- Consistent application of criteria across campus
- Feedback from colleagues as well as supervisor (360 degree feedback)
- Department/unit-level decision-making on merit awards
- Explanations for why recommendations are refused
- All monies allocated to merit should be distributed
- Help supervisors understand what performance is appropriate for merit-based pay and what is simply pay for performance within regular salary compensation
- Help supervisors in academic units understand how to evaluate meritorious behaviour quicker so they can make appropriate decisions before the position turns over

Nearly half of all respondents said 'direct supervisors' should be responsible for making decisions to grant merit awards (42.96% compared to 35.48% who said

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'department head / unit or college leader', 15.65% who said a 'central committee' and 5.91% who said 'other').

Those others were:

- Decentralized committee composed of direct supervisor, department/unit head, peers
- Some suggestion of ASPA and HR reps
- Important that any decision makers are educated about the process and can make informed decisions
- There were many comments which suggested that some people believe the final decisions are made solely by HR.

Summary Merit System Criteria Table Description

The importance and satisfaction of various criteria of a merit system is summarized:

1. First column shows the list of merit system criteria elements as provided to respondents.
2. Second column shows percentage of ASPA respondents who said that criteria are not part of the existing system.
3. Third column shows average rating on 3 point scale of satisfaction with elements in current merit system process (3 point scale where 1=not satisfied, 2=neutral, 3=satisfied).
4. Fourth column shows relationship between the average satisfaction ratings by ASPA respondents and the importance ratings by all respondents.
5. Fifth column shows average importance ratings by all respondents (3 point scale where 1=not important, 2=neutral, 3=important).
6. Sixth column shows relationship between the average satisfaction ratings by supervisor/manager respondents and the importance ratings by all respondents.
7. Seventh column shows average satisfaction ratings (on a 3 point scale) by supervisor/manager respondents.
8. Eighth column shows percentage of ASPA respondents who said that criteria are not part of the existing system.
9. Ninth column shows the rank of each merit system criteria as most important criteria, as well as the percentage of all respondents who chose that criteria as most important.
10. Tenth column shows the rank of each merit system criteria as second most important criteria, as well as the percentage of all respondents who chose that criteria as second most important.
11. Eleventh column shows the rank of each merit system criteria as third most important criteria, as well as the percentage of all respondents who chose that criteria as third most important.

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	ASPA – Not part of existing system	ASPA Satisfaction		Importance		Supervisor Satisfaction	Supervisor – Not part of existing system	Importance		
								1 st	2 nd	3 rd
1	2	3	4	5	6	7	8	9	10	11
Allows for team-based awards (e.g. promotes co-operation and co-ordination to achieve exceptional level of performance)	45%	2.76	>	2.34	<	2.42	38%	4th 6%	5th 9%	2nd 20%
Is based on having agreed and measurable outcomes for the year; that is knowing how you will be evaluated. (e.g. reduced time to produce reports from 5 days to 2 days)	22%	2.12	<	2.50	>	1.99	15%	3rd 23%	3rd 16%	5th 16%
Rewards exceeding expectations in delivering one-time outcomes (e.g. reduced time to produce reports from 5 days to 1 day!)	18%	2.12	<	2.49	>	1.92	8%	5th 5%	4th 11%	1st 29%
Rewards exceptional application of skills and knowledge (proficiency)	11%	1.94	<	2.93	>	1.91	7%	1st 35%	1st 36%	3rd 18%
Rewards exceptional growth which becomes an ongoing expectation of the job within the same phase (e.g. exceptional application of skills exemplary behavior while completing work increasing responsibility increased impacts of decisions)	13%	1.97	<	2.85	>	1.83	7%	2nd 31%	2nd 29%	4th 17%

Other criteria that are important to respondents are:

- Longer term impact on savings/innovation
- Maintaining exemplary performance
- Quality of outcomes
- Contribution to team work
- Commitment to professional development/acquisition of vital skills to unit's work
- Commitment to colleagues (community mindedness)
- Being helpful
- Rising to a challenge/taking on new responsibilities during the year
- Creativity
- Some concern that the list of criteria provided does not fit the type of work that ASPA members perform
- Concern that the criteria and examples listed reward workaholics and mass production rather than quality and being a balanced individual.

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- There was concern that the criteria and examples listed do not measure proficiency

Respondents were virtually split on whether it is important to maintain a differential monetary merit award based on salary (34.50% said 'yes', 32.46% said 'I don't know' and 33.04% said 'no').

If not a differential monetary merit award based on salary, then respondents had very mixed and contrary views:

- A fixed percentage (many recommendations of 3%)
- A flat amount
- Levels to recognize proficiency and additional performance (2%, 4%, 6%)
- Let department heads decide on allocation
- An amount to recognize cost-savings or value for the university
- Mixed responses on whether the percent of merit should be related to base salary or not

Most respondents said that a meaningful range for an individual merit award would be 2%-4% of the individual's salary (58.73% of respondents, followed by 21.39% of respondents who said '4%-6% of the individual's salary', 9.04% who said '1%-2% of the individual's salary', 6.63% who said '0% (eliminate merit awards)' and 4.22% who said 'more than 6% of the individual's salary').

Respondents explained their rationale for the range they preferred:

- Mixed reactions ranging from having a small amount of monetary reward (for more recipients), because it's about the recognition not the money, to having significant amounts of money attached to merit rewards to make it meaningful and to use merit-based pay as a retention tool.
- 1% seems insignificant
- 6% seems excessive
- At 2-4%, more people could be rewarded
- If the cap was higher than \$400,000, some individuals would prefer a higher rate of merit (6%) as more meaningful
- 3% because it is approximately one increment
- Monetary awards need to be more than \$1,000 to be worthwhile after tax penalties
- Eliminate merit and reinstate the pay grid
- Depends on the work being recognized
- Should be more than the rate of inflation
- Assuming the new merit system will reward only those who are truly meritorious, there should be fewer recipients and therefore a higher amount of award can be afforded
- Private industry would award beyond 6%, and can be a retention tool.
- Merit is awarded for exceptional performance, and the monetary amount should recognize that
- Merit is a good motivator (so long as the amount is at a reasonable level)
- Without annual increments, the merit pool should increase, and the amount of merit award would increase accordingly

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Most respondents would like to see the new system offer both 'add to base' salary increases as well as lump sum payments (58.04%, followed by 30.06% who said just 'add to base salary', and 9.52% who said just 'lump sum payment').

Respondents also noted:

- Need rewards for those who save extra money or generate extra income for the University.
- For continual increase in responsibility, consistent meritorious performance, or overall increase in skill or responsibility, then payment should be add-to-base. If it is for exceptional work on something unlikely to occur again, a one time project or experience then it should be a lump sum payment.
- Staff in cost recovery programs should be eligible for merit outside of their program budget.

Type of award appropriate for each criteria. The bolded numbers identify the majority preference of respondents.

	Add to base salary	Lump sum payment
Team-based awards	24.68%	75.32%
Rewards exceeding expectations in delivering one-time outcomes	16.36%	83.64%
Rewards exceptional application of skills and knowledge (proficiency)	86.57%	13.43%
Rewards exceptional growth which becomes an ongoing expectation of the job within the same Phase	91.74%	8.26%

Timing of Awards

Most respondents said that merit awards should be awarded once a year (56.14% compared to 17.25% who said more than once a year, 16.08% who said they didn't know, and 10.53% who had no opinion).

For those who said that merit should be awarded more than once a year, the rationale was:

- Rewards closer to meritorious performance are more meaningful
- Not more than once a year, but not at the same time as other awards because it all becomes blurred together.
- Could grant recommendation anytime, with monetary award coming only once per year (at same time)

If an annual merit process with monetary award is maintained, most respondents said decisions should occur at the same time of year for all ASPA members (56.89% compared to 15.84% who said 'any time in the year by agreement between each ASPA member and her/his supervisor/manager', 12.61% who said 'on the anniversary of the member's hiring date', 11.44% who said 'At the discretion of the college or administrative unit for ASPA members within that unit', and 3.23% who chose 'other'). Comments from those who chose 'other' included:

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- Same time every year
- In conjunction with annual performance review
- Not at year-end
- When convenient for supervisor

Survey Respondent Demographics

Most respondents are permanent (77.15% compared to 20.20% who are term, 1.32% who are seasonal, 0.99% who are casual, and 0.33% who didn't know).

Most ASPA respondents have been a member of ASPA for 5 to 9 years (30.46% compared to 28.81% at 1 to 4 years, 11.92% under 1 year, 11.26% more than 20 years, 9.27% 10 to 14 years and 8.28% 15 to 20 years).

Most supervisor/manager respondents have been a manager of ASPA members for 1 to 4 years (40.40% compared to 28.28% at 5 to 9 years, 11.11% less than a year, 9.09% between 15 and 20 years, 7.07% at 10 to 14 years, and 4.04% for more than 20 years).

Most ASPA respondents were more than 40 years of age (52.65% compared to 32.45% who were between the ages of 30 and 39, 11.92% who were under 30, and 2.98% who preferred not to answer).

The following is a summary of the job family and phase the respondents in ASPA are placed in:

Job Family/Phase	Percent of Respondents
Instructional	1.01%
Instructional 2	4.36%
Information Technology 1	6.71%
Information Technology 2	12.75%
Information Technology 3	6.04%
Managerial 1	7.05%
Managerial 2	9.40%
Managerial 3	7.95%
Operational Administrative 1	1.34%
Specialist/Professional 1	15.10%
Specialist/Professional 2	22.82%
Specialist/Professional 3	3.36%
I don't know	3.02%

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Nearly half of ASPA respondents were above the target point of their salary range (47.18% compared to 40.53% who were below the target point and 12.29% who preferred not to answer).

Other Organizations' Merit Systems Research

The JMC reviewed merit systems offered at other organizations that have a similar employee group to ASPA's membership.

Of the other organizations reviewed, the following is a summary of the merit systems that we took into consideration when developing our recommendations. Please note that some information was either not available or not applicable for some of these organizations. In addition, the terminology used in the summary table may not reflect the language used by that particular organization. For ease of understanding the comparison, the language used by other organizations has been converted to the common U of S language.

	University of British Columbia (UBC)	McGill University	University of Guelph	AMAPCEO and the Ontario Government	University of Calgary	Queens	City of Calgary
ASPA equivalent	Association of Administrative and Professional Staff	Management staff union (MUNACA)	Professional Staff Association (PSA) recognized as an association, not a union and consists of approximately 600 professional, specialized and managerial employees	AMAPCEO is the Association of Management, Administrative and Professional Crown Employees of Ontario. They are recognized as a union and have about 10,000 members that work directly for the Government of Ontario.	Management and Professional Staff (Non-Unionized)	Queens University Staff Association	Management Exempt group (Non-Unionized)
Compensation Model	Salary ranges, with midpoints. Salary at midpoint means that the employee possesses full job knowledge, qualifications and experience.	11 Pay Grade model with merit-based progression.	18 Pay Grade Model	200+ Classification specifications (uses job evaluation)	Broadband compensation model	Pay grades (uses job evaluation)	Pay grades (uses job evaluation)

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	University of British Columbia (UBC)	McGill University	University of Guelph	AMAPCEO and the Ontario Government	University of Calgary	Queens	City of Calgary
Movement through the salary ranges	<p><u>Career Progress Increments:</u> Only for employees below the midpoint Value of 4% adds to base increases.</p> <p><u>Salary Increases Beyond Midpoint:</u> Only for meritorious employees as per the performance-based merit pay model.</p> <p><u>Performance Based Merit Pay</u></p>	<p>Performance feedback and merit are part of the compensation model. Performance matrix with 6 levels and varying merit award base salary increases within each salary grade.</p> <p>Note: "Summer Fridays" program requires waiving one year's salary progression.</p> <p>Also, those above the salary maximum are eligible for non-base merit award and/or contributions to their pension.</p>	<p><u>Merit:</u> Merit is usually less than 1.5%, so movement can be slow. Anticipating this will change with new contract to stepped movement through the range to midpoint within 5 years.</p>	<p><u>Across the Board increases</u> <u>Merit Pay</u> <u>Pay for Performance</u> <u>Bonus:</u> <u>Only for employees at the maximum of the salary range</u></p>	<p><u>Merit Pay</u> <u>Special Market Related Salary Adjustments:</u> Applicable in a limited number of cases where it has been determined that a staff member's base salary significantly lags the market. <u>No general economic increases</u></p>	<p><u>Merit Pay:</u> In Grades 1 to 9, move through the grid based on experience, providing that performance is satisfactory</p>	<p><u>No "automatic" increases.</u> <u>Pay for Performance</u></p>

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	University of British Columbia (UBC)	McGill University	University of Guelph	AMAPCEO and the Ontario Government	University of Calgary	Queens	City of Calgary
Merit System	Yes - adds to base	Yes – Base salary increase and Lump sum merit available Forced distribution based on maximum of 30% of employees. Employees are not informed of their merit award until final approval by HR.	Adds to base, subject to change with new agreement.	Yes – adds to base and lump sum <u>Forced Merit Distribution System for Adds to Base:</u> Not more than 20% of eligible employees can receive a performance rating of "above satisfactory". <u>Forced Merit Distribution System for Lump Sum:</u> Not more than 15% of eligible employees shall receive a performance rating of "below satisfactory".	Yes -adds to base and variable pay (lump sum)	Yes - but no funding is available. Note: The Merit Pay policy and system will not be implemented until a later date when provincial funding to the University improves	Yes - adds to base
Merit Award Decisions Criteria	Determined by each Unit	Determined by Supervisor	Recommended by supervisor, final authorization by HR	Determined by managers.	Determined by the Unit.	Yet to be determined	Determined by the supervisor.

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	University of British Columbia (UBC)	McGill University	University of Guelph	AMAPCEO and the Ontario Government	University of Calgary	Queens	City of Calgary
Merit Budget	Merit budget is 2% of base salary of eligible employees	Budget must cover fixed amounts within the levels in each salary grade. This includes, but is not limited to the top 30% of members who receive the largest merit awards. Minimum and maximum salary scales reviewed and adjusted annually in accordance with salary policy established by the University from time-to-time.	Merit budget is 1% of the group's salary. Merit pool is broken down by Faculty/Division and then funds are divided up based on amount of salary within a unit, i.e., if one unit has 25% of all salary, they would give that unit 25% of the merit pool	Merit budget for lump sum bonuses varies from year to year, and is based on a formula.	Merit: 5.5% salary budget (awarded once per year) Variable Pay: 1% of salary budget (awarded any time during year)	Merit budget is a % of the total salary which is distributed on a per capita basis to budget envelop holders (deans and vice-principals) and the envelop holders are responsible for the equitable distribution of the funds	Merit budget varies from year to year based on economic situation
Merit Eligibility	Employee passed their 12 month probationary period prior to the beginning of the review period which is July 1st to June 30 of each year. Employee is at or above the midpoint of their salary range.	Employee must have been at work at least 60 working days during the one year reference period (June 1 to May 31)	No formal requirements for merit eligibility, although giving merit to short-term employees or employees who have not been around long is discouraged	Merit Pay coincides with the one-year anniversary date of the employee's start date, and each year thereafter. Must pass 1 year period to be eligible.	No formal requirements for merit eligibility. A recently hired meritorious employee typically receives a 0-3% merit award	Yet to be determined	No formal requirements for merit eligibility.

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	University of British Columbia (UBC)	McGill University	University of Guelph	AMAPCEO and the Ontario Government	University of Calgary	Queens	City of Calgary
Value of Merit	Between 0-3% of adds to base	Fixed amounts within the levels in each salary grade—based on performance evaluation.	Pool of money for merit, typically 1-1.5% of total payroll. If someone is already over midpoint, may get nothing while others get 2+% as it is decided on by supervisor/manager	<u>Merit Matrix Model for Adds to Base:</u> Employer Discretion: 0 to 5% Below Satisfactory: 0% Satisfactory: 3.5% <u>Merit Matrix Model for Lump Sum Bonus:</u> Satisfactory: 3.5% Above Satisfactory: 6%	<u>Merit Matrix Model Improvement is Essential</u> 0%; Development is necessary for successful performance: 0-3%; Successful Performance: 3-6%; Advanced Performance: 6-8%	Yet to be determined	Is a range of % increases, based on which third of the pay band employee is in.

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	University of British Columbia (UBC)	McGill University	University of Guelph	AMAPCEO and the Ontario Government	University of Calgary	Queens	City of Calgary
Centralized/ Decentralized Decision Making	Decentralized committee / immediate supervisor	Centralized Immediate supervisors do performance evaluations and make initial merit recommendations. Must be authorized by the Vice-Principal. Faculty/Department must be notified of any changes made to the merit award recommendations. Employees are not informed of their merit award until final approval has been given by Human Resources.	Decentralized process, Comp Manager takes all data and puts in spreadsheet and forwards to manager to input the merit amount	Decentralized process where the Employer distributes and determines process	Decentralized - Recommended by Dean/Director based on the performance feedback process.	Both centralized and decentralized - a letter setting out the case for a one-time non base merit payment is submitted to the appropriate dean for initial approval. Approved recommendations are forwarded to HR for consideration and final approval by the Principal and vice-principals.	Decentralized- decision made by supervisor but they must stay within approved framework and budget
Union role in merit process		No role except in the case of grievance of merit award decision. Note: University and Union have a "Joint Labour Relations Committee" who deal with problems and issues other than grievances and disagreements.	The Association does not play a role in the process of distributing merit, but they do play a role in terms of joint meetings regarding salary and merit funds with management. When negotiating their contract they play a role in reaching an agreement on merit	Union plays a role during negotiation of contract and if a grievance is filed regarding merit expenditures	No role, not a union	No role, not a union	No role, not a union

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	University of British Columbia (UBC)	McGill University	University of Guelph	AMAPCEO and the Ontario Government	University of Calgary	Queens	City of Calgary
Appeal Process	No	<p>First questions/concerns directed to "Total Compensation" Department</p> <p>University and Union have a "Joint Labour Relations Committee" which deals with problems and issues other than grievances and disagreements.</p> <p>Grievance process</p>	<p>No formal grievance procedure as they are an association, not a certified union.</p> <p>Dissatisfied employees can take their concern to the Association as a complaint and it may be escalated to Employee Relations, depending on circumstance</p>	<p>No, they can not appeal the merit decision.</p> <p>Yes, they can grieve whether or not the monies allocated for pay for performance envelope has been spent.</p>	No	Yet to be determined.	<p>No, they can not appeal amount of merit.</p> <p>Yes, they can can appeal decision of eligibility.</p>

E. ASPA Merit Recommendation Form Sample

EMPLOYEE NAME:		Employee ID:
Department:		EMPLOYEE GROUP: ASPA
JOB TITLE:	FAMILY/PHASE:	SALARY:
SUPERVISOR(s) NAME:		
SUPERVISOR(s) JOB TITLE:		

Merit is awarded to recognize a member who has consistently demonstrated **exceptional** performance, proficiency, and/or growth during the period **May 1, 2007 to April 30, 2008**. The member must be in the same position, in the same department since at least November 1st, 2007 to be eligible for merit. Merit recommendations may result in a salary increase and/or a lump sum bonus.

A recommendation for a **salary increase** is most appropriate if the employee has demonstrated **exceptional** performance, proficiency and growth in all aspects of the position.

A recommendation for a **lump sum bonus** is most appropriate if the employee has demonstrated **exceptional** performance or proficiency that is more one time in nature.

An employee, immediate supervisor, or both may complete the merit recommendation form. To make a merit recommendation, please provide a written recommendation in the space below summarizing key meritorious achievements and contributions of the review period.

*To assist in writing your 1- 2 page recommendation, please take into consideration such questions as: How did this year's individual or team achievements have an **exceptional** impact in meeting the goals of the unit, division, and/or university? In what way has progress in developing individual skills or competencies **exceptional**?*

NOTE: *By signing this form, you are stating you have reviewed the merit recommendation submission*

Employee Signature: _____ **Date:** _____

Supervisor(s) Signature: _____ **Date:** _____

Signature: _____ **Date:** _____

Merit Decision (to be completed by Unit Leader)

Complete the following section to reflect the Decision regarding the merit award:

Yes:

No:

If Yes, then complete the next section to indicate the type of merit being awarded:

Merit Award **salary increase:**

Merit Award **lump sum bonus:**

Unit Leader (Dean or Administrative Head)

Signature: _____ **Date:** _____

F. Other Reference Materials

- Boyd, C. (2007, November 16). "Performance-based pay ill-suits UofS." The StarPhoenix .
- "Broadbanding: Creating a 'flat' organization." WorldatWork. November 2006.
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- Greene, R. J. & J. & S. Associates Inc. (1998, April). "Improving merit pay plan effectiveness." ACA News. 41 (4).
- Long, R. J. (2006). Strategic compensation in Canada. 3rd Edition. ISBN 0-17-641612-9.
- "How do merit increases work?: Compensation for the non-HR managers." WorldatWork
- "Merit Matrix." WorldatWork. (2005, September).
- Platt, R. K., "Merit-based pay." WorldatWork. (2003, December).
- 'The Whirlpool approach: Cultivating talent through performance and recognition." Workspan. (2007, November).
- Zingheim, P. & J. Schuster. (2007). High-performance pay: Fast forward to business success. WorldatWork.
- Zingheim, P. & J. Schuster. (2007, August). "The SZATotal rewards bulletin: The strategy of adapting to variable pay."

G. Glossary of Terms

AECC – Administrative Employees Consultative Committee (Ref. ASPA Collective Agreement: *Article 6 Administrative Employees Consultative Committee*)

Allocation of ASPA Merit Budget – Refers to the process by which monies which have been allocated specifically for the awarding of merit to ASPA members are distributed

ASPA – Administrative and Supervisory Personnel Association

ASPA Annual Payroll – In a given year, the total sum of monies to be paid to ASPA members in the form of salary

Associate Vice-President, Human Resources – Refers to the Associate Vice-President, Human Resources or a person designated to act in his/her place

Audit Request – See Merit Audit Request

Base Salary Adjustment – A change in the amount of an individual member's annual ongoing base salary

Base Salary Increase – An increase in the amount of an individual member's annual ongoing base salary

Broadband – Refers to the grouping of positions with similar responsibilities and skill requirements into "bands" of job families with broad salary ranges

Budget Management – a function within the Budget and Special Projects Office, Financial Services Division

Business Objectives – The target or goal of a business process, plan or project

Centralized Decision-Making – Concentrating administrative or political power in a central authority rather than at a local or subordinate level

Collective Agreement – A contract of employment negotiated between a management and union

College and Administrative Leader – The position leading the University's Academic Faculty or Administrative Unit; for example, Dean, Director, Associate Vice-President

Compensation Model – A system of pay used as a comparator or held up as an example

Compensation System – A process by which an individual member's salary and benefits are calculated and distributed

Decentralized Decision-Making – Delegating administrative or political power to local or subordinate levels and away from a central authority

Decentralized Merit Award Decision-Making – A model where the decisions for awarding merit are made at the local authority level rather than by a central authority

Decision-Maker(s) – The person or people deemed responsible for the final merit award decision(s) within a Unit

Defined Merit Distribution – A limited number and type of merit award(s) available for distribution within a given Unit

Development Plan – An ASPA member's plan for professional development usually established as part of the Performance Review process

Eligibility for Merit – The minimum requirements established in order to be among those whose performance may be considered for a merit award—in this case, the length of service in a given department and membership in ASPA

Exceptional growth (exceptional performance, proficiency and growth) – Terms used to describe effort, outcomes, activities and achievements of ASPA members who may be considered for merit

Financial Services Division (FSD) – Administrative Division responsible for ASPA merit budget management

Fiscal Year – See University Fiscal Year

Forced Distribution – See Defined Merit Distribution

FTE – Full Time Equivalent

Human Resources (HR) – Administrative Division responsible for establishing and evolving the application of the ASPA Merit System respecting relevant negotiation processes to ensure the needs of the University, the ASPA membership and the Leadership are met

Immediate Supervisor – Person to whom an ASPA member reports directly and who holds the ASPA member's performance review and conversation, supports professional development planning, provides coaching and is responsible for submitting merit recommendations.

Increment - A fixed and regular salary increase. Note: regular increments expired from the ASPA Collective Agreement as of June 30, 2007.

Job Family –Jobs with similar responsibilities and skill requirements are grouped together in broadband categories

Job Phase – The level in which a particular position is placed within the Job Family for salary consideration

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Job Profile – Description of a position including the primary purpose, nature of the work, accountabilities and qualifications

Joint Merit Committee (JMC) – Ref. Appendix A Joint Merit Committee Terms of Reference

Lump Sum Bonus – Refers to Lump Sum Bonus Merit Award(s)

Lump sum bonus merit award(s) (replaces one-time merit increase) – A one-time monetary award that is not added to the member's annual ongoing base salary

Management Team – Refers to a group of managers within an academic or administrative unit who have been assigned the responsibility for awarding merit for that particular unit

Matrix organizational structure – A structure in which an ASPA member reports jointly between two departments or to a project as well as a "home" department

Memorandum of Agreement (MOA) – A draft agreement that may establish the scope of association and mutual responsibilities between parties (Source: Business Dictionary)

Merit Amount Allocation – See Allocation of ASPA Merit Budget

Merit Award – A monetary award intended to recognize and reward ASPA members who demonstrated proficiency, growth and levels of performance considerably better than what might generally be viewed as "normal."

Merit Amount Calculation – The process by which individual merit award amounts are determined (Ref. Section 8 Merit Amount Calculation and Distribution)

Merit Audit Committee – The body established to review the Merit Award process and to make recommendations for continual improvement. This committee will not overturn merit award decisions made at the unit level; it will look at processes in order to improve them

Merit Audit Request – Request for inclusion in the annual Merit Audit Review

Merit Audit Review – Annual assessment of the efficiency and effectiveness of the Merit Award process

Merit Award Information – Information provided to Payroll Services to effect a salary adjustment or lump sum bonus payment

Merit Award System – The process available for monetarily rewarding ASPA members who demonstrate proficiency, growth and levels of performance considerably better than what might generally be viewed as "normal."

Merit Budget – Amount of money allocated to the annual merit process

Merit Eligibility – See Eligibility for Merit

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Merit Letters – Letters generated and sent by Human Resources to ASPA members regarding merit awards

Merit Model – A system for recognizing exemplary employee achievement, which is used as a comparator or held up as an example

Merit Pay System – See Merit Award System,

Merit Process – See Merit Award System

Merit Recommendation Form – Form used to describe meritorious effort, required by the Merit Award System and which becomes part of the Employee File and may be requested by the Merit Audit Committee

Merit System – See Merit Model

Merit Timelines – The timeline within which the Merit Award process must be completed

Pay Grade – A level within a classification system for assigning pay

Payroll & Payment Services – The Administrative department responsible for administering payroll and related services, such as salary increases or lump sum bonuses

Performance Review (Performance Discussion, Performance evaluation) – At least once per year, using the work plans as a basis, the supervisor shall meet and discuss the performance of duties with each member (Ref. ASPA Collective Agreement: *Article 9.3 Performance Review*). This is a developmental process.

Public Sectors – Publicly owned and operated companies or corporations

Redesigned ASPA Merit System – Refers to the ASPA Merit System as it is described in this Report and as in the MOA Re: ASPA Merit

Retroactive – Applying a present condition or decision to a previous time or date

Review Period – The period for which Merit is being considered, typically the “Fiscal Year” (May 1 to April 30)

Salary Review Committee – A committee established on an annual basis to review and approve merit recommendations. The Committee is chaired by the Vice-President (Finance and Administration) and includes representatives from ASPA and senior academic and administrative staff. The ASPA representatives fully participate in the discussions, but they have non-voting status

Special Action – Special Action was to provide compensation to members who had been assigned and undertook extra or additional duties beyond the normal scope of their position. (Ref. Section 4.1.3 Elimination of Special Action)

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Stakeholder – A person or group with a direct interest, involvement or investment in the Merit Award Process

Terms of Reference – See Joint Merit Committee Terms of Reference

Unit – Refers to either a college or administrative division

University Fiscal Year – Defined as the period May 1 to April 30

Value of Merit – See Merit Amount Calculation

Work Plan – Ref. ASPA Collective Agreement: *Article 9.2.1 Work Plan Development Including Hours of Work*