

Memo from the Office of the President

TO: Vice-Presidents

DATE: April 28, 2009

RE: Performance review and compensation

A. Preamble

The roles of the vice-presidents are central to the activities of the University of Windsor. The positions require leadership, oversight of operations, the hiring and management of people, responsibilities for budget, and to greater or lesser degrees external relations that impact on the university's business and reputation. There are also large and significant groups of people who feel a direct or an indirect impact of the actions of the vice-presidents, including faculty, staff, students, research partners and funding bodies, alumni, community members and others. The responsibilities are carried out in a complex and changing environment that has aspects that are both unique to Windsor and comparable to the responsibilities of peer positions at universities across Ontario and Canada.

Given the importance of the vice-president positions to the well-being of the university, it is important that their respective activities align with the overall direction and aspirations of the institution. This document sets out a framework that will guide the establishment and review, by the president, of vice-presidents' performance goals. It also provides a pathway whereby compensation levels will be determined.

B. Performance principles

There are identifiable goals and expectations of the university that need to be reflected in the activities of the vice-presidents. These include, but are not restricted to, the demonstration of leadership, best efforts to achieve target outcomes, a demonstrated commitment to employment equity, mentoring, collegiality, teamwork, and professionalism. Each of these can have some broad interpretations cast on them, and for the purposes intended in this document they are deemed to have the meanings summarized in Table 1. This list is not meant to be exclusive of other attributes or expectations there might be, or that might be unique to one particular vice-presidential portfolio, but it represents a recognized set of qualities that would be consistent with the level of the vice-presidential positions.

Table 1

Performance parameter	% Weighting	Interpretation
Leadership	25	Demonstration of clear grasp of the portfolio; an ability to prioritize tasks and set goals; an ability to remain focused on key objectives; an ability to assign duties and delegate to others; an ability to communicate effectively and in a timely manner to personnel and other stakeholders how and why decisions are made.
	20	Provide supervision and mentoring to people working throughout the vice-presidential portfolio, assisting direct reports in their own career development in whatever ways possible. Provide timely and constructive advice to people working for the vice-president, to assist them in meeting objectives that have been assigned to them, and provide remedial guidance to people whose performance is not consistent with their abilities or with expectations.
	5	Through collegiality and teamwork, be supportive of colleagues, and provide advice constructively to other members of the administrative team.
Achievement of target outcomes	40	Demonstrated commitment to achieving agreed upon objectives in a fiscally responsible manner; communicate effectively to the president, to direct reports, and to other people or bodies that have an interest in knowing whether outcomes are being reached; articulate clearly why outcomes might not be achieved.
Commitment to employment equity	5	Ensure that all hiring processes directly reporting to the vice-president, or hiring processes under the purview of direct reports to the vice-president, are done in ways that will advance the university's goals in employment equity and in ways that comply with agreed upon institutional procedures to achieve diversity and equity across the institution.
Professionalism	5	Always be mindful of the profile and the responsibility of the vice-presidential portfolio. In being a high profile person in a large public institution there will be a spotlight on the vice-president, and the vice-president will be held to the highest levels of accountability and integrity in the eyes of the public.

While all of these are important, some are more substantial with respect to the overall portfolio, and an approximate weighting of the importance of each of them is shown.

C. Evaluation principles

The evaluation of performance should be an important part of creating a strong management team, and should be one of the principle routes through which both institutional and personal objectives can be pursued. Performance reviews should have a suitably structured framework to maximize their effectiveness.

Goal-setting and evaluation of performance need to be done at regular intervals. While, it is common practice that adjustments to compensation are made on an annual basis, evaluation should have more frequent regularity. Prior to July 1 of each year, the president and vice-president should agree upon a set of objectives for the coming year. At four month intervals throughout the year, these objectives will be reviewed and modified on mutual agreement as necessary, and feedback provided by the president. It is the intent that this feedback be as constructive and supportive as possible, and be a way of reinforcing strong performance and of identifying any areas of concern that do exist and of finding ways to improve them. Within two weeks of the final evaluation meeting in the year, which should occur before June 30th and which will include a discussion to agree on objectives for the coming year, the president will provide a letter which will include the following. It will summarize performance over the preceding year in light of the above parameters, endorse the objectives for the coming year, and provide details on compensation.

Evaluation of performance will be aided in two ways. The vice-president will be asked to submit a self-assessment of performance. In addition, the president will seek feedback from direct reports to the vice-president, in which they will be asked to score on a scale of 1 to 5 their assessment of how well each parameter has been addressed, and to provide any other comments. At the end of the evaluation process, performance will be deemed to have been exceptional, very good, satisfactory, less than satisfactory, or poor.

All documentation related to performance review and compensation will be kept on file in the president's office and in the Department of Human Resources.

D. Compensation principles

There are several factors that need to be balanced when determining compensation levels for vice-presidents. These include consideration of performance, consideration of how peers across the province are compensated, and consideration of the overall fiscal trend of negotiated settlements at the university. These, in combination, need to constitute a reasonable and fair approach to determining compensation levels, and to ensuring that the University of Windsor can attract and retain the administrative team it needs.

Within Ontario, the salaries of vice-presidents who also hold academic appointments historically have been comprised of two components, one based on the academic position and the other based on a negotiated administrative stipend. The academic salary is based on the individual's position within the ranks and academic experience, and more or less tracks salary progression in the professoriate, despite the fact that the review of performance no longer happens under the normal tenure and promotion system within a university. Generally, merit increments that the tenure and promotion system might allow for are provided to the vice-presidents holding an academic appointment. The administrative stipend is more directly subject to negotiation with the president. At the conclusion of the vice-presidential term, the administrative stipend ceases, and the individual may have the option to return to the faculty at their academic salary.

The salaries of vice-presidents who do not hold an academic appointment are based solely on negotiation with the president, and typically are not broken down into a base amount and an administrative stipend. As with those who hold an academic appointment, review of performance is carried out by the president. In either case, regardless of whether there is an academic appointment, the disclosure of public sector salaries in Ontario has led to a greater awareness of compensation levels in peer institutions. This has led to an understandable expectation that, despite the fiscal, geographic, and organizational distinctiveness of each university, there be some measure of equity across the university system.

While there are good reasons why this system has been used historically, there are several problems with it, particularly for vice-presidents who hold academic appointments. First, the current widely used system does not allow for increases in the academic component of the salary to be made through fair comparison with academic peers. It is recognized as needing to increase, but the increase is awarded through an independent process of evaluation.

Second, as a vice-president there may be circumstances where decisions have an impact on faculty salaries or the filling of faculty positions within one area of the university. While those decisions are being made independently of the academic status of the vice-president, they could have an impact on that individual should they return to the faculty. There could therefore be a perception that vice-presidential decisions might be conflicted.

There is also an ill-defined process for dealing with compensation during the administrative leave accrued during the term as vice-president. There have been instances where salary during the leave time is based only on the academic component of the salary, and other situations where it is distorted somewhat by expectations of continuation of the administrative stipend, perhaps justifiably so depending upon the individual circumstances. These considerations do not apply to vice-presidents who do not hold an academic appointment, since they generally do not accrue administrative leave and are not tenured.

E. Determination of compensation

In view of these considerations, effective July 1, 2009, the following system will be applied for the determination of compensation.

1. All vice-presidential salaries will be comprised of a single component, with no negotiation of an academic component and an administrative stipend component.
2. Annual salary increments will be determined based on the following: performance and a comparison of peer positions in other universities. The following weighting will be used, and compensation increments will be calculated based on “A+B”:

	<90% of provincial average	Between 90% and 95% of provincial average	> 95% of provincial average
Performance (A)	✓	✓	✓
System comparison (B)	✓	✓	

3. Performance will always be the predominant feature around which compensation is based. The amount of money, typically expressed as a percentage increase, available to reward performance (“A”) will be determined by the president, and take into consideration the overall fiscal picture of the University of Windsor, a comparison with other senior academic and administrative salaries (eg. associate vice-presidents, deans, librarians, directors), and the trend of negotiated settlements with other groups on campus. Performance that is exceptional, very good, satisfactory, less than satisfactory, or poor, will result in a salary adjustment of 100%, 75%, 50%, 25% or 0% of “A”.
4. It is desirable that vice-presidents will have assurance that their salary will be competitive with that of peers having similar experience at other universities. In determining what the provincial average for comparison will be, a comparator group of Brock, Queen’s, Carlton, Ottawa, Guelph, Waterloo, York, Ryerson, McMaster, Wilfrid Laurier, Western, Laurentian, UOIT, Lakehead, Nipissing, OCAD, Toronto, Trent and Windsor will be used. The size of adjustment (“B”) will be greater if the salary is less than 90% of the average. If at any time a vice-president’s salary is below 90% of the provincial average as defined here, an adjustment will be made at the next annual performance review date to bring it to 90%, and the subsequent year an adjustment will be made to bring it to 95%. If it falls below 95% of the average, an adjustment will be made in the following year to bring it to 95%. It is anticipated that strong performance can result in salaries that are at or exceed the average. No “B” adjustments will be made if performance is less than satisfactory or poor.
5. It is understood that the above compensation system might mean that in any one year the percentage of salary increments will not be the same across all members of the senior administration, but over time the system should allow for performance-based incentive for everyone.
6. The president reserves the right to suspend salary adjustments under “A” and/or “B” in response to budgetary constraints.

7. For vice-presidents who also hold an academic appointment, and choose to return to the faculty after their service in the vice-presidential role, their salary will be negotiated with the president. In no circumstance will their salary be set at a level that would be lower than what they would have reasonably expected to earn if they had remained in the faculty during the time they were vice-president.
8. Any administrative leave earned during the time as vice-president will be available at a salary equal to 60% of the final vice-presidential salary, or at 100% of the salary negotiated for their re-entry to the faculty, whichever is greater. If a vice-president completes one term and is appointed for another, and negotiates an administrative leave period between the two terms, salary during this leave period will be 75% of their vice-presidential salary. Beginning July 1, 2009, any new vice-presidential appointments holding an academic appointment will accrue eight months of administrative leave for each five year term. Only one period of administrative leave can be carried forward. Beginning July 1, 2009, administrative leave provisions in vice-presidential contracts, and in employment contracts of any administrative positions reporting to vice-presidents or to their direct reports (eg. associate vice-presidents, deans, associate deans, etc.) within the University, will require presidential approval.
9. A vice-president may seek special consideration of any of the above terms by providing to the president in writing the rationale for such a request. Any deviation from the compensation framework described here would require exceptional rationale.