

MENNONITE VILLAGE POLICY & PROCEDURE

TITLE: Compensation & Evaluation Process

PROCEDURE NO: HR 700.09

REPLACES: PL.09, Board Policy 403

PAGE(S): 2

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PURPOSE:

In order to attract and retain excellent employees, our compensation philosophy is based on our belief in internal equity, market competitiveness, and good stewardship of our residents' funds.

Selected jobs will be compared to available market data to ensure that we can compete successfully for the best employees. Market forces may sometimes alter the internal ranking.

Stewardship of our residents' funds ensures that we keep our costs as low as possible while fairly compensating our staff.

POLICIES:

Pay upon Hire

1. New staff will be hired into the approved pay range for their position. Staff are to be hired at Level 1 unless they possess high levels of experience.
2. Staffing Coordinators/Managers may hire at Level 1-3, depending on staff experience. Hiring above Level 3 is considered unusual and, to ensure consistency, must be approved by Human Resources Director.
3. Exempt staff will be hired and paid based on market data and experience and internal pay equity.

Salary Increases

Salary increases generally occur on the employee's anniversary date. When an employee is promoted or transferred to a new position, that new position and salary will be reviewed one year from the promotion or transfer date. There is no guarantee that a salary/wage adjustment will be given each year. Factors that will be considered in making decisions about salary/wage adjustments include, but are not limited to: company financials, job performance and if appropriate achieving established goals. Performance evaluations should occur on an employee's anniversary but lack of an evaluation will not stop the step increase of an employee who is performing at an acceptable level

Review of Existing Position

When a supervisor requests that a job be placed in a different pay range, the following process will be used:

1. Supervisor, employee, and Administrator will review the job description and note any changes to the essential functions of or qualifications for the position.
2. Administrator will submit a request to Human Resources Director. The request will include the following: updated job description, memorandum from the Administrator describing need for review, and the Administrator's recommendation for the outcome (if s/he has one).
3. Human Resources will review the information and research current market data, including internal job comparisons.

4. The Human Resource Director will pick a department(s) to review the exempt positions in that area to ensure wages stay competitive. The goal is each position would be reviewed at least once in a 3 year period. The information will be gathered starting March and shared with the department(s) Administrator by mid-April so any recommended changes can be budgeted for.
5. If the recommendation is to change a pay range or annual salary of a position(s), the Human Resources Director will forward information and recommendation to the Executive Director and CFO for final decision.
6. Human Resources will notify Administrator of decision. The Administrator will meet with affected staff.

Employee Request/Timeline

An employee who wishes to have his/her job reviewed for a pay increase is encouraged to bring this request to his/her supervisor. If the supervisor does not act on the employee's request within 30 days, the employee may bring the request to the Administrator. If the Administrator does not act on the employee's request within 30 days, the employee may bring the request to the Human Resources Director.

Classification of a New Position

Supervisors who have a new position in their departments will use the process outlined in "Review of Existing Position" section. Human Resources can assist in developing job descriptions for new positions.

Down-Classification of a Position

When a decision is made that a position is most appropriately placed in a lower pay range than the position's current pay range, staff currently in that position will be treated as follows:

1. Staff will be moved to the lower pay range, if there is a level in the lower pay grade that is equal to or higher than the staff member's current pay.
2. Staff will have pay frozen if the top level of the new pay range is lower than the staff member's current pay. Staff will be ineligible for any pay increase until the new pay grade reaches the level of the staff member's frozen pay.
3. Staff will continue to receive tenure bonus, if applicable.

Up-Classification of a Position

When a decision is made that a position is most appropriately placed in a higher pay range than the position's current pay range, staff currently in that position will be treated as follows:

1. Staff member will be placed in the level of the new pay range that is equal to or higher than current pay rate and equal to their experience.
2. Pay increase will take effect the first full pay period in the month following the decision.
3. Pay increases are generally not retroactive.