

MEMORANDUM

TO: JHHSC/JHH
Administrators
Directors/Directors of Nursing
Managers and Supervisors

FROM: Sharon Kemp, Director, Compensation

DATE: May 17, 2011

RE: 2012 Fiscal Year Non-Bargaining Unit Salary Planning

The Department of Human Resources is pleased to present The Johns Hopkins Health System Corporation and The Johns Hopkins Hospital FY12 Salary Planning Guide for non-bargaining unit, non-nursing employees. This packet contains important information you will need to administer salaries for the upcoming year.

The principal objective of our compensation program is to ensure that the institution is able to attract, motivate, and retain a highly qualified workforce in a cost-effective manner.

COMPENSATION STRATEGY

In order to ensure that pay ranges and pay rates are competitive, Compensation conducts market data analysis using published salary surveys. Market data is compiled from various local, regional, and national survey sources. Various benchmark positions (jobs commonly defined and used for pay comparisons) are selected and evaluated. Recommendations for pay adjustments are based on the results of this market pricing methodology. Benchmark positions are reviewed a minimum of once a year.

COMPRESSION

Compensation will continue to review salary compression as part of an on-going effort to target non-bargaining unit, non-core

technology positions.

PAY RANGES

Range structures are differentiated between “Clinical”, “Non-Clinical”, “Information Technology”, “Nursing” and “Management”. Range midpoints are built from the market data obtained from published survey data.

PAY RANGES

- Clinical jobs are defined as those that meet one or more of the following criteria:
 - Positions that are directly involved with patient care (i.e. through patient treatment or observation)
 - Positions whose work contributes to the diagnosis needed to direct patient care
- Non-Clinical jobs do not provide direct treatment or observation with respect to patient care.
- Informational Technology jobs are defined as those that use the JHMCIS job classification.
- Nursing jobs are defined as those that report through the Department of Nursing.
- Management jobs are defined as those that supervise at least two employees.

For FY12, pay range structures have increased as follows:

- Clinical: 1.5%
- Non-Clinical, Information Technology, and Management: 1%.

Employees whose current rates of pay fall below the new minimums will have their pay rates automatically adjusted to the new range minimums effective July 4, 2011. These below minimum adjustments will appear on the July 22, 2011 pay.

The Nursing pay ranges have been reviewed separately.

PERFORMANCE MANAGEMENT FOR FY12

The Performance Ratings reflect the overall performance expectations. Below are the overall ratings and definitions:

Overall Rating

4 = Exceptional

A majority of the employee's work was consistently exceptional in all areas of responsibility. This person is a model employee. The employee consistently did exceptional work, regularly going far beyond what is expected of employees doing this type of work. Planned objectives were achieved well above the established standards and accomplishments were made in unexpected areas.

3 = Exceeded Expectations

Consistently exceeds established standards in most areas of responsibility. All requirements were met and objectives were achieved above the established standards. Performance that exceeded expectations was due to the effort and skills of the employee.

2 = Met Expectations

Performance fully met the established job expectations, and may on occasion have exceeded expectations. The employee generally performs well and requires little additional guidance. Agreed upon job requirements were met and planned objectives were accomplished within established standards. There were no critical areas where accomplishments were less than planned.

1 = Improvement Needed

Performance met some of the job expectations but did not fully meet the remainder. Not all planned objectives were accomplished within the established standards and some responsibilities were not completely met. The employee generally performs at a minimal level and improvement is needed to fully meet expectations. Performance deficiencies were due to the employee's lack of effort or skills.

0 = Failed to Meet Expectations

Performance consistently failed to meet the established expectations or required frequent, close supervision and/or the redoing of work. The employee did not perform at the level expected for employees doing this type of work. Responsibilities are not being met and important objectives have not been accomplished. Unacceptable job performance was due to the employee's lack of effort or skill. Needs immediate improvement.

The scoring of essential job functions and service standards continue to mirror the overall performance ratings.

Internal rating of essential job functions and service standards:

4 = Exceptional performance above established standards

3 = Consistently exceeds standards

2 = Meets expectation

1 = Needs improvement

0 = Failed to meet minimum standards

Individual job descriptions will be updated to reflect the changes implemented in FY11. Tools to assist in updating job descriptions can be found on the HR Web site. An excel template that can be downloaded and easily revised for any job and the Performance Review Summary sheet can be found at:

<http://www.hopkinsmedicine.org/jhr/Compensation/Forms>

FY12 MERIT MATRIX

Employees must be reviewed on an annual basis; therefore, the merit increase will be applied at the time of an employee's annual performance review. The matrix is projected to net an overall 2.0% increase to the payroll budget and will apply to all salary structures.

- The attached merit matrix for FY12 is the distribution upon which the budget was based. This is the guideline managers and supervisors should use. An employee's merit increase should not take his/her salary above the salary range maximum. If an employee is nearing the salary range maximum, the increase will be the amount the employee is from the salary range maximum regardless of the percentage merit matrix guideline.
 - Examples
 - Employee receives a "2" rating, meaning a 1.75% increase. The employee is 1% away from the maximum. The employee can only receive a 1% increase.
 - If an employee is 1.8% away from the salary range maximum, the employee can receive the full 1.75%, according to the salary range guideline.

MERIT PROCESS FOR EMPLOYEE TRANSFERS

It has been Human Resources policy that when an employee transfers to a new department, it is the responsibility of the receiving department to obtain information from the employee's current department. This would include ensuring any prorated merit increases are processed prior to the department transfer. Unfortunately, it can often be difficult for the receiving department to gather this information in a timely fashion from a department that is losing the employee.

The FY12 Salary Planning will continue following the current process:

When a staff member transfers to another department and it has been greater than 6 months since his/her last performance review, then the manager of the sending department may:

- Copy the last review
- Note on the review that the information was reviewed, with both the manager and employee initialing and dating this information on the Summary page

If there is no significant change, the employee would receive a prorated merit increase as part of the SAP HR Transactions Form, which would be completed by the receiving department. In the “Comments” section it should be clearly noted that the new pay rate includes the prorated merit and any other applicable salary change

- If there was a significant change, the manager should note changes on the copied performance evaluation and recalculate the score. Again, manager and employee would both initial and date the evaluation and summary page

This will assist departments in gathering the information they need, as well as guarantee the employee would receive the proper merit increase prior to a transfer.

PERFORMANCE MANAGEMENT PROCESS

- Annual performance evaluations must be completed every 12 months. To maintain compliance with policy and The Joint Commission, evaluations have to be completed within 60 days of the employee’s performance review due date. Please refer to Human Resources Policy (HR004).
- Management’s compliance with the above requirement and the HR Transaction Policy (HR005) are monitored monthly.
- It is recommended that mid-year progress checks be completed. A brief documented meeting with the employee who is rated as meets expectations or above is sufficient for the mid-year progress check. For employees with performance issues a progress check and work improvement plan is required at mid-year.
- All JHHSC/JHH job descriptions should be in the Performance Management System format. If you require assistance, please contact the Office of Compensation at ext. 5-6781 (410-955-6781).
- Under the Performance Management System, an employee receives points calculated using a rating scale (0,1, 2, 3, or 4) and the weighted job functions/service standards. The calculated points are then totaled to determine the overall performance score. The overall performance score will fall into one of five (5) performance levels (see attached MERIT MATRIX).
- A performance rating of “Exceptional” requires signatures from both the immediate supervisor and the area’s Vice-President. Note: Departments submitting “Exceptional” ratings are required to keep the VP signature on file with the Performance Review Summary Sheet. The request to update the performance rating in the system must include a statement that VP approval has been obtained and is on file in the department.

PERFORMANCE REVIEW DATES

The employee’s Annual Performance Review Date will remain the same from year to year, except when changed to reflect a new anniversary date corresponding to a promotion.

EDUCATIONAL RECORD

During an employee's Annual Review, the Employee Educational Record must be updated and kept on file in the Department to comply with The Joint Commission. This document can be obtained in the Management section of the Human Resources Web site at: <http://www.hopkinsmedicine.org/jhhr/Managers>

PROMOTIONS

- Increases for promotions should generally not exceed 5% of the employee's current straight-time wage or the minimum rate of the new pay grade (whichever is higher). Career Services or Compensation must approve exceptions in advance.
- Employees who receive a promotion within six (6) months of their next annual performance review are to receive a pro-rated merit increase and a completed performance evaluation at the time of promotion. The merit increase will be prorated based on the date the previous merit increase was received.

ADVANCEMENTS

- Only positions that are in established career ladders qualify for advancement increases.
- Employees who receive advancements do not have a change to their performance review date, nor do they receive pro-rated merit increases.

OTHER PAY

- Any "other pay" (i.e. any bonus, incentive, etc.) must be pre-approved by Compensation, prior to any communication with employees. Please refer to Human Resources Policy HR 300.
- Exempt employees, including supervisors and managers, do not qualify for overtime due to their exemption status as defined by the Fair Labor Standards Act. If there is an extraordinary circumstance regarding additional hours for supervisors/managers, one-time exceptions would be approved by the Compensation Department.
- Requests for "other pay" must be received by Compensation no later than one (1) week prior to when the next scheduled paycheck is issued. Late requests will be processed with the following pay period.

SHIFT DIFFERENTIALS

Employees assigned to evening, night and/or weekend shifts will receive the following differentials:

	Non-Clinical	Clinical	Management (permanent assignments only)
Evenings	\$1.00	\$1.75	\$1.50
Nights	\$1.50	\$2.20	\$2.00
Weekends	\$1.25	\$1.25	\$1.25

ON-CALL PAY

Generally, non-exempt employees assigned to “on-call” status are paid an applicable rate during those hours calculated as follows*:

30% of the employee’s base rate, up to a maximum of \$6.00 per hour.

* Please contact Compensation at ext. 5-6781 (410-955-6781) regarding exceptions. Also, for additional details regarding “on-call” pay, please refer to Human Resources Policy HR 300.

PAY PERIODS

All employees are paid bi-weekly and receive a paycheck on Friday for pay earned in the prior two-week period ending at 6:59 a.m. the previous Sunday.

If you have any questions regarding FY12 Salary Planning, please feel free to contact the Compensation Office at ext. 5-6781 (410-955-6781).

cc: Ronald R. Peterson
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