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# Executive Compensation Program

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## Positions Affected by Executive Compensation Program

This Executive Compensation Plan outlines the manner in which compensation is determined for members of the Senior Leadership Team, which consists of the following positions:

- President/Chief Executive Officer;
- Senior Vice President;
- Vice-President;
- Chief Human Resources Officer.

## Compensation Philosophy

Fanshawe College's Executive Compensation Program has been designed to attract, motivate and retain highly qualified and accountable members of the Senior Leadership Team and align their efforts to support the achievement of the college's operating goals and strategic objectives. View the College's [Strategic Plan](#).

Third party experts in compensation practices were engaged to provide expertise and knowledge in order to develop this Executive Compensation Program. When finalized, Fanshawe College's Executive Compensation Plan and the specific compensation levels for the members of the Senior Leadership Team are approved by the Board of Governors.

As part of the process to determine the compensation program for Fanshawe's Senior Leadership Team, the Board of Governors has reviewed a number of objective measures of complexity and accountability that pertain to their roles. The Board has reviewed these measures in the context of the College's strategic and operational objectives and also assessed the relative complexity and accountability of Fanshawe in comparison to other Ontario colleges.

With the assistance of a third party compensation specialist, a sector-wide complexity and accountability matrix was developed in order to have an objective approach to ranking individual colleges into one of five levels. This assessment consists of a review of the following core measures:

- Enrolment;
- Revenue;
- Staff complement.

In order to finalize the relative ranking, the Board conducted a further assessment of additional complexity and accountability factors of:

- Number and diversity of degree programs offered;
- Applied research activity;
- Nature and complexity of particular types of enrolment, including first generation, aboriginal and/or special needs students, as well as the provision of clinical and cooperative/experiential programs;
- Size, diversity and complexity of the geography in which the College is located.

Based on this analysis, the Board has assessed that Fanshawe College is in level four of the five levels in terms of the relative complexity and accountability outcomes when compared to other colleges in Ontario.

## Comparators

Senior Leadership Team compensation is determined through an analysis of similar positions at comparator organizations - all within the Ontario public sector.

The organizations have been selected because they require similar essential competencies (knowledge, skills and abilities) of leadership, relative to the types of complexities and the levels of accountabilities as required by our Senior Leadership Team in order to achieve Fanshawe College's strategic and operational objectives.

The comparator analysis includes different types of public sector organizations across Ontario given that there are demonstrated examples of mobility within the college sector to different geographic locations in Ontario as well as movement from and to the college sector from these other types of public sector organizations.

All colleges in Ontario share the same core strategic mandate and purpose, and as such, Fanshawe College's Executive Compensation Program has been developed based on analysis of comparators that are applicable to the entire college sector as all colleges compete for executive staff with these organizations.

The comparator positions and organizations are set out below, along with a description of how they are comparable to Fanshawe College:

## Colleges

As outlined in the Ontario Colleges of Applied Arts and Technology Act, all 24 colleges in Ontario share the same core strategic mandate and operations in delivering post-secondary education. All members of their respective Senior Leadership Teams are responsible for managing complex and diverse affairs and providing the leadership required to achieve strategic objectives. There is demonstrated mobility of senior leadership from colleges of different size and geographic location within the province.

Specific comparator colleges used are:

- Conestoga;
- Humber;
- Seneca;
- Sheridan.

## Universities

Like colleges, universities in Ontario share the same function in delivering post-secondary education, including the provision of degrees, diplomas and other credentials. University senior leadership fulfills a similar role to that performed by college senior leadership teams. The senior leadership is responsible for managing the complex and diverse affairs of the university and providing the leadership required to achieve the universities' strategic objectives. There is a high level of interaction between the activities of colleges and universities in Ontario, including partnership and pathways agreements. There is demonstrated mobility of senior leadership among colleges and universities in Ontario.

Specific comparator universities used are:

- University of Guelph;
- University of Ottawa;
- University of Waterloo;
- York University.

## Hospitals

Like colleges, hospitals in Ontario are complex organizations delivering public services in Ontario communities. Senior hospital leadership is responsible for managing the complex affairs of the hospital and providing leadership to achieve the hospital's strategic plan. In addition to clinical services, hospitals perform functions in education. There is demonstrated mobility of executives between colleges and hospitals in Ontario.

Specific comparator hospitals used are:

- Hamilton Health Sciences Centre;
- London Health Sciences Centre;
- Trillium Health Partners;
- University Health Network.

## Maximum Salary and At-Risk Pay

Fanshawe College's Executive Compensation Plan establishes the maximum salary level and percent of pay at risk on the above noted comparator analysis.

Regulation 304/16 under the Broader Public Sector Executive Compensation Act requires that this calculation be determined by using no greater than the 50th percentile of a minimum of eight comparator organizations for each class of executives.

For the college president, the 50th percentile value of the maximum salary and performance-related pay that may be paid to these comparators is \$445,000. Given the relative size and assessment of the measurable data on complexity and accountability factors for Fanshawe College, the comparative analysis further discounted the 50th percentile value by 10%, which results in a value of \$401,000.

For other senior leadership team members, the 50th percentile value of the maximum salary and performance-related pay that may be paid to these comparators is \$303,000. Given the relative size and assessment of the measurable data on complexity and accountability factors for Fanshawe College, the comparative analysis further discounted the 50th percentile value by 10% which results in a value of \$273,000.

Position	Maximum Salary and Performance Pay at Risk
President	\$401,000 Which includes 20% at risk based on annual performance.
Sr. Vice President	\$273,000 Which includes 15% at risk based on annual performance.

Position	Maximum Salary and Performance Pay at Risk
Vice President	\$273,000 Which includes 15% at risk based on annual performance.
Chief Human Resources Officer	\$273,000 Which includes 15% at risk based on annual performance.

The Board of Governors conducts the annual performance review process for the President, while the President conducts this process for the other members of the Senior Leadership Team, subject to the Board's oversight.

Figures released through the Ministry of Finance's annual salary disclosure may differ from the values identified in this Executive Compensation Program for a number of reasons, including that the Ministry of Finance reporting period is based on a January 1 to December 31 calendar year whereas Fanshawe College's compensation program is based on an April 1 to March 31 fiscal year and the amount of at risk compensation is based on performance and may not be consistent from year to year.

## Elements of Executive Compensation Not Provided to Non-Executives

All elements of non-salary compensation that apply to the Senior Leadership Team are available to non-executive managers at the College.

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