

LABOUR MARKET SUPPLEMENT

PURPOSE

1. The GN recognizes that there may be occasions where the total compensation package offered for particular positions (hard-to-fill) may not be as competitive as those offered in the wider public sector labour market, leading to recruitment and retention issues. While compensation is only one factor in recruitment, where it can be established that there is a clear business/organizational need, supported by objective market data, the GN may consider applying a labour market supplement to the established compensation package for the position(s).

Labour market supplements are designed to support recruitment and to a lesser extent, address retention issues, by temporarily increasing the pay awarded to hard-to-fill position(s), without altering the existing grade determined for that position by the GN's job evaluation process. Labour market supplements are not designed to artificially inflate position compensation but are a tool that can be used in exceptional circumstances to adjust compensation packages to be more competitive in a wider public sector labour market.

INUIT SOCIETAL VALUES (ISV) GUIDING PRINCIPLES

- 2. This directive is guided by the following Inuit societal values:
 - **Qanuqtuurniq** being innovative and resourceful: Labour market supplement pay is a creative tool for the recruitment and retention of staff where there is objective evidence that the regular rate of pay offered directly results in inability to recruit and increased staff turnover; and
 - **Pililiriqatigiinniq/lkajuqtigiinniq** working together for a common cause: Labour market supplement pay demonstrates the government's commitment to increase and maintain capacity to meet service delivery for Nunavummiut.

APPLICATION

- 3. This directive applies to all hard-to-fill positions covered by the *Public Service Act*, with the exception of the following:
 - Qulliq Energy Corporation (QEC)
 - Legal Services Board
 - Office of the Legislative Assembly
 - Office of the Chief Electoral Officer
 - Appeals Tribunal Workers' Safety and Compensation Commission



DEFINITIONS

- 4. Labour Market Supplement is a compensation increase applied to address market competitiveness for a specific period of time to a position (or group of positions) in addition to the standard salary established through the job evaluation process. It is implemented when it has been approved by the Financial Management Board.
- 5. **Central Accountability Committee (CAC)** is a committee of Deputy Heads and is responsible for recommending the approval for the labour market supplement payment to the Financial Management Board.
- 6. **Financial Management Board** is a committee of the Executive Council established with responsibility for the financial management and administration of the GN. It is the approval authority for the labour market supplement payment.
- 7. **Base Salary** is the pay received for performing the regular duties of a position. Allowances, bonuses, benefits, payment for overtime or other compensation are not part of base salary.
- 8. Identical Positions are positions with the same duties and responsibilities.

PROVISIONS

- 9. The Labour Market Supplement should result in compensation that matches the market without exceeding 25% of the annual base salary. Once approved by the Financial Management Board (FMB), the labour market supplement will remain in effect for four (4) years from date of approval, with the possibility for renewal.
- 10. Employees already in positions that have been approved for a labour market supplement will receive the supplement from the date of approval to the expiration date of the supplement, or their termination date, whichever is earlier.
- 11. Employees who are hired into positions that have been approved for a labour market supplement will receive the supplement from the date of hire to the expiration date of the supplement, or their termination date, whichever is earlier.
- 12. All approved labour market supplements are listed in Appendix A.
- 13. A labour market supplement will only be considered once other ways of improving recruitment and retention have been explored and exhausted and labour market pay is shown to be the main barrier to recruitment.



- 14. The formal request for a labour market supplement must be made by the Deputy Head of a department/public body, using the process outlined in the Procedure section of this directive.
- 15. A labour market supplement is not intended to be a substitute for the GN's normal recruitment and selection process.
- 16. A labour market supplement is not a bargained item in collective agreements and the GN retains the right to implement or end a labour market supplement at any time.
- 17. The requesting department/public body must clearly demonstrate that:
 - There is a proven recruitment and/or retention problem with a particular position, or group of positions. This can be demonstrated by:
 - i. Evidence of several unsuccessful attempts to fill the position over the past 24 months;
 - ii. Evidence of staff turnover rates, exit interview information, or general labour market information;
 - iii. Evidence of a discrepancy between pay at the evaluated rate and pay for comparable positions in the public sector employment market in Canada; and
 - iv. The cost of labour market supplement can be met from within existing budgets.
- 18. The labour market supplement payment will be subject to the following criteria:
 - Will not be subject to increases under any other pay awards;
 - Will be subject to the normal statutory deductions;
 - Will be pensionable; and
 - Will be for four (4) years from date of approval, with the possibility of renewal.
- 19. The Department of Human Resources will maintain a record of all labour market supplements that are approved.
- 20. Any approved labour market supplement may be reviewed prior to its expiry date and may be withdrawn, should the review demonstrate that current evidence does not justify a supplementary payment continuing.
- 21. The requesting department/public body must initiate a request for review of an existing labour market supplement at least 6 months prior to its expiration.
- 22. A labour market supplement cannot be paid beyond its expiration date.



- 23. There is no right of appeal by the individual or department/public body against a decision to remove or reduce a labour market supplement.
- 24. Under no circumstances will the labour market supplement alter the evaluation of the position determined through the job evaluation process.
- 25. Where a labour market supplement payment has been deemed appropriate, it must be applied to all identical positions within the public service. The Departments of Human Resources and Finance will coordinate the identification and application of the labour market supplement payment to the identical positions.

PROCEDURE

- 26. The department/public body must complete an application for the Labour Market Supplement Submission (Appendix B) that ensures they have supplied all relevant documentary evidence including (but not limited to):
 - The effect on services by not filling the position(s);
 - Number and range of vacancies (how many positions, where are they located, etc.);
 - Current position evaluations (pay range and annual salary) and requested labour market supplement percentage (not exceeding 25% of base salary);
 - Position evaluations (pay range and annual salary) of all subordinate and supervisor positions;
 - The attempts to recruit to fill the position (number of attempts, type of advertisements, media used, frequency, timing etc.);
 - Results of competitive processes (number of competitions, number of screened-in applicants, etc.);
 - Assessment of appropriateness of current position screening criteria (are the requested knowledge, skills, and abilities bonafide requirements, or should they be listed as assets);
 - Options of reorganizing the work or delivering the services in a different way;
 - Succession planning, or longer-term workforce planning initiatives, to show how the recruitment and retention difficulties are being addressed e.g. trainee programs, internships; and
 - Comparative public sector pay data from other Canadian jurisdictions.
- 27. The Submission (Appendix B) must be approved and signed by the department/public body Deputy Head and forwarded to the Deputy Minister of Human Resources.



- 28. The Department of Human Resources will review, assess, and verify the information before submitting the application to Central Accountability Committee (CAC) with a recommendation.
- 29. CAC will review and provide a recommendation to the requesting department/public body.
- 30. In reviewing the labour market supplement application CAC will consider a number of factors, including:
 - Record of recruitment and retention within the GN;
 - Relevant labour market data;
 - Organizational structure;
 - Internal impact;
 - Comparative rates of pay between the GN and other jurisdictions; and
 - Comparative total compensation package (pay and benefits) between the GN and other jurisdictions.
- 31. Once reviewed by CAC, the requesting department/public body must submit a request to FMB. The request must include reference to the recommendations of the Department of Human Resources and CAC.
- 32. Departments/public bodies requesting an extension to an existing labour market supplement must initiate the process at least 6 months prior to the expiration date.
- 33. A request for an extension must provide all information required in Section 24 of this directive and the impact of the labour market supplement to date.

AUTHORITIES AND REFERENCES

- 34. Public Service Act
- 35. Financial Management Board
- 36. Central Accountability Committee



CONTACTS

37. For further information or clarification, please contact:

Director, Staffing Department of Human Resources Iqaluit, Nunavut 867-975-6222

or

Director, Employee Relations and Job Evaluation Department of Human Resources Iqaluit, Nunavut 867-975-6211

or

Director, Compensation and Benefits Department of Finance Iqaluit, Nunavut 867-975-6870