

**IN THE MATTER OF AN ADJUDICATION CONCERNING
THE APPROPRIATE MARKET SUPPLEMENT RATE FOR
INFECTION CONTROL PRACTITIONERS**

BETWEEN:

Health Sciences Association of Saskatchewan

- Applicant

-and-

Saskatchewan Association of Health Organizations

- Respondent

BEFORE:

**Beth Bilson, Q.C.
Adjudicator**

APPEARANCES:

**Greg Deren, for the Health Sciences Association of Saskatchewan
Jeff Waselenchuk, for the Saskatchewan Association of Health Organizations**

Decision of Adjudicator

The collective agreement which was concluded between the Health Sciences Association of Saskatchewan (HSAS), and the Saskatchewan Association of Health Organizations (SAHO) in the fall of 2002, covering the period from April 1, 2001 to March 31, 2004, contains provision for a Market Supplement Program to address problems of recruitment and retention to the professional classifications covered by the agreement. A Letter of Understanding governs the process of determining whether temporary market supplements should be awarded, and what amount of market supplement is appropriate.

This process permits the parties to negotiate concerning market supplements, and also provides that the parties can refer a question concerning supplements to a Market Supplement Review Committee (MSRC), which issues a report indicating whether a market supplement should be awarded. If the parties are unable to reach agreement on the amount of the market supplement, this question can be referred to a third party adjudicator. The adjudicator is asked to choose between the proposals put forward by the parties at a summary hearing.

In this instance, the MSRC considered whether a temporary market supplement is warranted in the case of Infection Control Practitioners, and issued a report dated December 19, 2002, recommending that a market supplement be awarded. The issue I have been asked to decide is which of the amounts proposed by the two parties should be accepted.

In the Letter of Understanding laying out the parameters of the task given to the adjudicator, the parties have indicated that the decision is to be made according to the following criteria:

- Service delivery impacts: service delivery impacts are analyzed, including options for alternative service delivery models.
- Turnover rates: an annual turnover (loss of employees to other competitor employers) ratio to the existing staff complement in any given occupation. Local analysis of reasons for leaving will be necessary to determine any trends that may be emerging.
- Vacancy rate analysis: whereby the frequency and timing of vacancy occurrences (i.e., seasonal; always following an event; etc.) are analyzed for trends that may affect recruitment/retention efforts.
- Recruitment issue analysis: whereby issues such as length of recruitment times, training investments, licensing issues, supply and demand issues, etc. are analyzed for trends which may affect recruitment/retention efforts.
- Salary market conditions: affected employer's salary levels are lower than other employers that affected employers would expect to recruit employees from, or other employers that affected employees are recruited to. This may be local, provincial, regional or national depending on the occupational group and traditional recruitment relationships. Cost of living considerations may or may not be appropriate to factor into market salary comparisons.

A hearing concerning the appropriate market supplement rate for Infection Control Practitioners was held in Saskatoon on June 19, 2003. Though both parties presented some data concerning the compensation of similar professional classifications in other western provinces, they agreed that the major source of difficulties in recruitment and retention of Infection Control Practitioners in the Saskatchewan health care system comes from comparisons with the compensation rates in the collective agreement covering nurses who are represented by the Saskatchewan Union of Nurses (SUN). Most Infection Control Practitioners have training as nurses, and would be eligible for jobs in the SUN bargaining unit.

The parties further agreed that, notwithstanding the recommendation in the MSRC report that the market supplement rate be calculated using the SUN Level A rates as a comparison, the rates for Level B would provide a more accurate comparison in terms of the respective responsibilities and training of the two groups.

The major difference between the parties concerned which of the SUN wage rates should be used for purposes of comparison. The Union argued that a market supplement rate should establish a clear incentive to become and Infection Control Practitioner or to remain in that classification. In this respect they argued that the amount of the market supplement should not simply bring Infection Control Practitioners level with the current rates being paid under the SUN agreement, but should look ahead to the rates which will come into effect under that agreement at a later time. Their proposal was that the market supplement should be based on the top rate which will come into effect for Level B SUN nurses on October 1, 2004. This would bring the top rate for Infection Control Officers from \$27.75 (or \$28.315 for those employed prior to November 2002) to \$32.70. This would be an increase of 16.66%. The other steps in the pay scale would be recalculated accordingly.

The Employer argued that it is not appropriate to set the market supplement rate on the basis of a comparator rate which will not be in effect for a considerable time to come. They pointed out that the process which the parties have put in place to determine issues related to market supplements provides that the issue of a market supplement in a particular profession can be reopened any time after the anniversary date of the previous report of the MSRC. In this case, this would mean that the issue of whether the market supplement for Infection Control Practitioners is adequate can be reopened by the Union as of December 19, 2003. The Employer expressed the view that, though the device of the market supplement is appropriately used to achieve a competitive position, it is not desirable to use it as a means of placing a professional group far out ahead of other groups. The objective is to establish a realistic wage pattern which will address existing recruitment and retention issues; if the level which is set at any particular time fails to achieve this, it can be revisited at a time in the near future.

The proposal put forward by the Employer was to track the top rates of the Level B nursing rates as of December 19, 2002 and April 1, 2003, bringing the top rate from \$27.75 (and \$28.315) to \$29.470 as of December 19, 2002 and \$30.60 as of April 1, 2003. This latter rate represents an increase of 6.47%.

Though the theory underlying the final-offer selection form of adjudication is that it places pressure on the parties to arrive at proposals which are as close together as possible, it can be seen that there is a significant difference between the two proposals in this case. As both parties pointed out in their presentations at the hearing, there are many variables which are relevant to the potential effectiveness of a market supplement as a means of dealing with recruitment and retention problems, and it is difficult to calibrate precisely what the optimum level for such a premium would be. It is natural that each party attempts to arrive at a proposal which will address the issues of recruitment and retention in a way which best protects their respective interests, and in this respect the

calculation of market supplements is not a science, but an outgrowth of the collective bargaining process.

Neither of these proposals is without flaws. It is not altogether clear, for example, why the Employer proposes to implement the supplement in two stages, an elaboration which may be difficult to communicate in the context of efforts to retain and attract professional staff to these positions.

Nonetheless, I am persuaded by the argument put forward by the Employer that the focus of the Market Supplement Program should be on assessing the current situation and attempting to establish a competitive position in that environment, rather than on establishing a gap which represents an attempt to anticipate further changes in the wages of comparator groups or other market factors. There is no reason to suppose that the market will not continue to be volatile. The wage profiles of other groups will continue to change, and the effect of those changes, along with other factors, such as non-monetary rewards, the supply of trained professionals, and natural human inertia, must be continually assessed. This is, presumably, why the Letter of Understanding provides frequent opportunities to revisit the market supplement question.

The proposal put forward by the Employer is certainly a modest one. On the whole, however, I have concluded that it rests on a more reasonable premise than the Union proposal, and I am therefore approving the proposal made by the Employer.

DATED at the City of Saskatoon, this 24th day of June, 2003.

Beth Bilson, Q.C.

Greg Deren

From: Beth Bilson [beth.bilson@usask.ca]
Sent: July 1, 2003 10:28 AM
To: dereng.hsas@sasktel.net; jeffw@saho.org
Cc: beth.bilson@usask.ca
Subject: Re: Market Supplement - Infection Control Practitioner

Hello

I would like to note that there is a typo on page 3 of the decision concerning the Infection Control Practitioners. In describing the employer proposal, I indicated that the April 1, 2003 top rate would be \$30.60. This should read \$30.36.

Beth Bilson