

recognizes that quality patient care is a product of trained, skilled, competent, and educated employees, who are entitled to fair and competitive pay, as determined by the marketplace, for their time, talent, education, experience, and dedication. The Board authorizes Administration, during each year, to select an employee compensation program, as desirable in accordance with this goal.

PROCEDURE:

1. Each year, as part of the budget process, the Administration will recommend for adoption by the Board, a compensation program which conforms to the Board's established policies and goals.
2. The performance-driven compensation program should offer:
 - Merit pay based on individual performance relative to the standards of the job,
 - Special recognition programs, with rewards and honors granted to recognize outstanding individual and team achievements including career advancement programs when appropriate.

This program may be modified by changes in the financial position of the System.

3. The compensation program should provide a high degree of flexibility to respond to changes in the competitive marketplace; changes in the strategic and operational needs and priorities of LMHS; and the changes in its financial situation.
4. The compensation program should be customized for designated "groupings of positions." The positions in each grouping share common characteristics (e.g., location of service, qualifications, level of accountability) that differentiate the group from other groupings. The pay ranges for each grouping reflect specific job markets from which employees are typically recruited. The job market varies in terms of:
 - Types of organizations.
 - The geographic area (e.g., local, statewide, regional and/or national).
5. Each position is assigned an appropriate pay grade based on current market data. This data is compiled from salary & pay surveys that are reflective of the job market for the grouping and from other relevant sources. In the absence of market data, positions are benchmarked based on internal equity, qualifications, accountabilities, responsibilities, and level of duties. Lee Memorial Health System's competitive position relative to survey market data for each grouping is based on:
 - The availability of qualified and competent candidates for key positions in the grouping.
 - The impact that a job would likely have on the performance of the organization.

6. The structure of the pay ranges within each grouping may vary based on the characteristics of the jobs within the grouping. Each position grouping is reviewed at a minimum of annually to evaluate market competitiveness. Depending on financial conditions, each job grouping will be positioned at or near the mean or average of the marketplace. Positions that are identified as critical (a.k.a. hard-to-fill) are reviewed more frequently as needed and may be positioned above the average of the marketplace.
7. Each employee's pay level relative to the pay range is established based on job-related experience, education, certification and licensure, overall record of performance and demonstrated knowledge, skills, competence, and abilities, compared to the standards of the job. Special pay practices (e.g., shift differentials, weekend differentials, call pay, etc.) will be used to complement base pay practices and to improve competitive positioning.