HUMAN RESOURCE MANAGEMENT MANUAL

This manual has been designed to provide agencies the basic tools and resources needed to administer their agency's human resource program under Compensation Reform. The content of this manual should not be construed as policy; rather it should be used in conjunction with the human resource policies developed by the Department of Human Resource Management (DHRM).

Compensation Reform is an evolving system, and, therefore policies, procedures, practices and processes will emerge throughout the Commonwealth and within the various agencies. As agencies develop their Agency Salary Administration Plans, agency-specific components of Compensation Reform will unfold.

This manual represents the program characteristics of Compensation Reform as they have been developed. DHRM is committed to updating this manual as policies, procedures, laws, federal regulations and trends in compensation management change and to provide consultation and technical assistance to agencies in the administration of this and related publications.

HUMAN RESOURCE MANAGEMENT MANUAL

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CHAPTER 1

COMPENSATION REFORM OVERVIEW

COMMONWEALTH OF VIRGINIA'S COMPENSATION MANAGEMENT SYSTEM

INTRODUCTION

In 1998, the Commission on Reform of the State Compensation Plan was formed to recommend modification to the Commonwealth's classified compensation plan. The need to reform the State's compensation and classification system was formally recognized by the 1994 Workforce Commission. The 1998 Commission adopted and refined the objectives of the 1994 Workforce Commission and developed a new compensation plan for the Commonwealth. The new system reflects contemporary human resources practices used by many public and private employers and is designed to meet the on-going needs of the agencies in effectively fulfilling their missions and delivering services to the citizens of the Commonwealth.

The Commission's findings and recommendations are presented in the January 14, 2000, report entitled Report: Reform of the Classified Compensation Plan (see Appendix B). The Governor and the 2000 session of the Virginia General Assembly approved the Commission's recommendation to develop a new Compensation Management System for employees covered by the Virginia Personnel Act.

Covered employees include the majority of individuals employed by the Commonwealth's Executive Branch. Employees not covered by the Virginia Personnel Act include Judiciary Branch employees, faculty employed in the Commonwealth's colleges and universities, employees of independent agencies, employees of the Virginia Commonwealth University Health System Authority and the University of Virginia Medical Center. These employees are excluded from the new Compensation Management System. The Virginia Personnel Act does not cover ***hourly*** employees (formerly referred to as ***wage*** employees), but their pay generally is determined in accordance with the Compensation Management System for classified employees.

The change from the former system to the new Compensation Management System is a major one. Most components of the former system have been changed. The new system introduces new pay practices as well as the concept of career growth. While the former system emphasized the ***classification*** or evaluation of positions, the new system emphasizes ***compensation*** of the employee. In other words, the system has shifted from assigned job duties and responsibilities to recognizing the employee's contribution to the organization (from position-based to person-based). Additionally, the new Compensation Management System shifts the responsibility and accountability for administering compensation policies and practices from the Department of Human Resource Management (DHRM) to agency management.

The following sections identify the major components of the new Compensation Management System and contrast the features with the former classified compensation plan.

PAY PHILOSOPHY

Previously, the Commonwealth's stated philosophy or goal was to pay salaries comparable to employers in the private sector in the Commonwealth. A new pay philosophy has been developed. In the new system, salaries are compared to both private and public sector organizations using local, regional, and national information. ***Total compensation***, which includes both salary and benefits, continues to be used when analyzing the labor market information.

In the new system, salary increases are based on performance. Entitlements such as across-the-board increases have been eliminated.

JOB ORGANIZATION STRUCTURE

The former Classification Plan consisted of approximately 1,650 individual job classifications, which were functionally organized into 580 class series within 8 broad occupational groups. Included were a number of agency specific and central agency job classes.

In contrast, the Compensation Management System has consolidated the job organizational structure into approximately 300 broad ***Roles***, approximately 60 ***Career Groups*** and 7 ***Occupational Families***. All agency

and central agency specific job classifications have been consolidated into the new job organization structure.

Each new ***Occupational Family*** includes a number of ***Career Groups***. Each ***Career Group*** identifies progressively higher ***Roles*** within a recognized occupational field. The concept of ***Role*** is central to the new job structure. ***Roles*** describe a broad array of similar positions reflective of different levels of work within an occupational field. The consolidation of the former job classes into the new broader ***Roles*** helps provide greater consistency in salaries assigned to the same or similar work across the Commonwealth.

CONSOLIDATION OF JOB STRUCTURE

Item	Former	New
#Occupational Groups/ Occupational Families	8	7
# Class Series/ Career Groups	580	approximately 60
# Job Classes/ Roles	1,650	approximately 300
Agency Specific Classes	Numerous	None

SALARY STRUCTURE

The former State Compensation Plan was a ***graded salary plan*** consisting of 23 pay grades with a 56% range spread between the minimum and maximum of each grade. Within each pay grade were 21 fixed pay steps that increased in a uniform percentage of 2.25%. Each of the 1,650 job classifications was assigned to specific pay grade.

Pay Bands

The new Salary Structure in the Compensation Management System consists of 9 pay bands**.** The first eight bands have a range spread of approximately 105% between the minimum and maximum salaries. There is a 30.6% difference between the minimum salary in each pay band except between pay band 2 and 3. The pay bands are "stepless"; that is there are no incremental steps within the band. The 9th pay band specifically addresses Mental Health physicians that serve as either Facility Directors or Medical Directors. The maximum salary of the 9th pay band is based on the market for these positions.

The transition from a ***graded salary plan*** to the ***pay band structure*** is the result of a comprehensive analysis of the class specifications and a review of best practices adopted by other public and private organizations with similar pay banding structures and alternative pay practices. The review included an in-depth analysis and grouping of the classifications that had similar duties and responsibilities, as well as knowledge, skills, abilities and qualifications.

Based on this review, the most logical grouping across various occupational areas resulted in the consolidation of 3 former pay grades into each pay band with the exception of pay band 2 that only grouped 2 former pay grades (4 and 5). An additional 10% (with the exception of pay band 2 which was increased by 20%) was added to the maximum salary of each pay grade resulting in approximately 105% range spread for each new pay bands. The Salary Structure Conversion Table is shown below.

SALARY STRUCTURE CONVERSION TABLE OF PAY GRADE TO PAY BAND

(Salaries as of 11-25-99)

CURRENT			NEW		
	RANGE			RANGE	
GRADES	MINIMUM	MAXIMUM	BANDS	MINIMUM	MAXIMUM
1	$ 12,689	$ 19,811	1	$ 12,689	$ 26,042
2	$ 13,871	$ 21,657			
3	$ 15,164	$ 23,675			
4	$ 16,577	$ 25,881	2	$ 16,577	$ 34,021
5	$ 18,122	$ 28,292			
6	$ 19,811	$ 30,929	3	$ 19,811	$ 40,659
7	$ 21,657	$ 33,811			
8	$ 23,675	$ 36,962			
9	$ 25,881	$ 40,406	4	$ 25,881	$ 53,116
10	$ 28,292	$ 44,171			
11	$ 30,929	$ 48,287			
12	$ 33,811	$ 52,787	5	$ 33,811	$ 69,391
13	$ 36,962	$ 57,706			
14	$ 40,406	$ 63,083			
15	$ 44,171	$ 68,961	6	$ 44,171	$ 90,653
16	$ 48,287	$ 75,387			
17	$ 52,787	$ 82,412			
18	$ 57,706	$ 90,092	7	$ 57,706	$ 118,432
19	$ 63,083	$ 98,487			
20	$ 68,961	$ 107,665			
21	$ 75,387	$ 117,697	8	$ 75,387	$ 154,719
22	$ 82,412	$ 128,665			
23	$ 90,092	$ 140,654			
OVER 23	NO CURRENT RANGE		9	$ 98,486	MARKET

Competitive Differentials

A ***Competitive Differential*** is an extension to the maximum salary in an existing pay band and is used for select jobs based on local market conditions. ***Competitive Differentials*** allow agencies to pay higher salaries where justified. The Department of Human Resource Management (DHRM) must approve ***Competitive Differentials***. ***Competitive Differentials*** may apply to specific positions, ***Roles***, ***Standard Occupational Classifications (SOC Codes)***, locations, and/or pay areas within any agency.

- **Northern Virginia Differentials**

  Northern Virginia Differentials vary from 9% to 30% based on market data. They are applied in much the same way as ***Competitive Differentials*** . However, they are not agency specific. Rather, they are available to all agencies with positions in northern Virginia. For this reason, separate pay band ranges are maintained on PMIS for the northern Virginia (FP) pay area.

Sub-Bands

A ***Sub-Band*** is an identified segment of an existing pay band with a specified minimum and maximum salary within that pay band. In some situations agencies may establish ***Sub-Bands*** to manage employees' salaries within their pay bands. ***Sub-Bands*** are not intended for application to most employees. Law enforcement ranks are an example of where using ***Sub-Bands*** may be appropriate.

JOB EVALUATION METHODOLOGY

The Compensation Management System will retain the position classification method, or whole job approach, of job evaluation to allocate positions into ***Roles***. Previously, job evaluation was based on seven compensable factors which were complexity of work, supervision exercised, supervision received, scope, impact of action, personal contact; and knowledge, skills and abilities. The new Compensation Management System uses three compensable factors, ***complexity of work, results*** and ***accountability***, for job evaluation purposes.

The position classification method will determine the internal value of a job (or ***Role***) by comparing the job to the newly developed ***Career Group Descriptions*** and to other jobs or ***Roles*** within the organization. By assigning jobs to a broader ***Role***, job evaluation should be more understandable to employees and managers and less cumbersome to administer. Additionally, external salary data will be available to help insure the jobs are properly aligned with the market.

The broader ***Roles*** also allow agencies to develop additional job evaluation dimensions to support their agencies' unique needs. Alternative approaches to determine job worth may include skill- or competency-based systems, rank structures, and occupational requirements such as professional licensing or certification.

PERFORMANCE MANAGEMENT

The performance management program used in the Compensation Management System retains selected features of the original Employee Incentive Pay Program (EIPP) but expands the concept of linking employee performance to pay. The performance management program has been designed to insure that increases approved by the Governor and the General Assembly can be appropriately distributed based on the employee's performance rating. The ***pay band structure*** allows for performance increases without having to change the band structure.

The expanded features of the performance management system include fewer performance rating levels, an extended probationary period for new employees, employee self-assessment and employee feedback on supervisor's performance. The performance program is flexible and allows agencies to design optional features to effectively meet their agencies' needs. Options may include group or team performance evaluations, the use of numeric weighting systems, and the use of performance measures based on organizational objectives.

COMPARISION OF CHANGES TO THE PERFORMANCE MANAGEMENT PROGRAM

Item	Former	New
Rating levels	5 levels: • Exceptional • Exceeds Expectations • Meets Expectations • Fair But Needs Improvement • Does Not Meet Expectations	3 levels: • Extraordinary Contributor • Contributor • Below Contributor
Appraisal of employee	Supervisor only	Supervisor & Employee Self-Assessment
Employee feedback on supervisor's performance	None	Upward feedback for developmental purposes provided to rater
Appraisal instrument	Qualitative	Qualitative or Quantitative
Appraisal of team/group	None	• Team/Group • Organization objectives
Probationary Period	6 months	• 12 months (standard) • Management option to extend up to 18 months for performance reasons

PAY PRACTICES

The objective of the Compensation Management System is to implement contemporary compensation practices that reflect best practices used in both the public and private sectors. These pay practices will provide managers a mechanism to financially reward employees for their organizational contributions without having to solely rely on the traditional practices of promotion and position reallocation.

The pay practices available to the agencies consist of a combination of current practices that have been revised and a new practice. Revised pay practices include starting pay, promotion, reallocation (role change), lateral transfer and demotion. The new pay practice is in-band adjustments. The in-band adjustment allows agencies the flexibility to provide pay increases to address such issues as internal alignment, retention, change in duties and professional development.

The focus is on variable pay increases rather than the fixed prescribed pay increases of the past. Supplemental pay such as shift differentials, on-call

and call-back will be delegated to each respective agency to manage. ***Differentials*** will continue to be incorporated into the system.

SURVEY METHODOLOGY

In the past, the Department of Human Resource Management (DHRM) annually surveyed benchmark positions and provided information to the Governor and General Assembly for the purpose of determining annual increases and structure adjustments. In the new Compensation Management System, accurate and reliable salary data will be fundamental to managing the compensation component of the system.

Salary Reference Data on benchmark positions within each ***Role*** will be provided to the agencies for use in starting pay decisions and other salary determinations. Agencies may continue to provide DHRM with local salary information to support their respective needs. Salary data in combination with other factors such as agency need, budget and internal alignments will provide Human Resource staff and agency managers the appropriate information for managing pay decisions.

CAREER GROWTH

In the past, little emphasis has been placed on career growth and professional development. Career growth opportunities were limited to moving to the next highest job class in a class series or accepting a job in a supervisory capacity.

The new Compensation Management System will promote growth and professional development through the identification of career paths within each ***Role*** as well as career progression to different ***Roles***. In the next phase of development, ***Role*** descriptions will identify the skills and abilities required to move from one ***Role*** to another and/or to a different ***Career Group***. Expert workers will have the opportunity to advance professionally and financially without having to move to supervisory or management positions. The ***banded salary structure*** allows for a dual track where supervisory and non-supervisory employees can progress through the same pay band to advance their careers.

With the concept of broad ***Roles*** and expanded pay bands, employees have opportunities for career growth without having to change positions. This

structure allows employees to become more knowledgeable and proactive in their own self-development and permits agencies to retain key talent.

MANAGEMENT ACCOUNTABILITY

The Compensation Management System is designed to support managers in achieving their agencies' organizational mission and objectives. The pay structure and practices incorporated into the Compensation Management System provide management increased flexibility in salary administration within their agencies.

The accountability for pay decisions shifts to agency's management. Managers will play a more active role in salary decisions. This shift in accountability will result in managers having to justify pay decisions to senior management, explain them to employees and stay within existing budgets. The success of the pay program will depend initially on the training provided to managers and employees; ultimately it will be measured by the decisions made by managers.

CHAPTER 2

AUTHORITY AND RESPONSIBILITIES

INTRODUCTION

The Compensation Management System is designed to permit managers a more active role in administering employee compensation to support their agencies' mission and objectives. There is a deliberate shift in accountability from the Department of Human Resource Management (DHRM) to agencies' management. This shift in accountability will require agencies to account for and justify the fiscal impact of payroll expenditure to senior managers, explain pay decisions to employees and stay within existing budgets. Decisions made because of Compensation Reform will have both long term and recurring financial impact on agencies. Additionally, since agencies will have available a number of different pay practice options, they will be required to monitor and validate salary transactions to ensure compliance with the Commonwealth's pay practices.

The Compensation Management System relies on a sound infrastructure to ensure effective program compliance and performance. This infrastructure includes policies, pay practices, training and communications, business transactions, information technology support systems, trends analysis, and program evaluation at the state and agency levels. A process of defining roles and authority, and conducting program evaluation provides the critical components needed to support continued improvement of the Compensation Management System.

Managing employee pay and the systems that support it is critical to the success and effectiveness of the Compensation Management System. The administration of compensation transforms the roles of DHRM, state agencies, and agency managers, to one of partnership requiring a balanced investment of support from each partner.

The purpose of this Chapter is to provide guidance related to the administrative and operational management of the Commonwealth's

Compensation Management System, and the authority and responsibilities inherent in an expanded partnership.

AUTHORITY AND RESPONSIBILITIES

- **Governor and General Assembly**

The Virginia Personnel Act (Title 2, Chapter 10, Section 2.1-113) designates the Governor as ***Chief Personnel Officer of the Commonwealth***. The Governor is responsible for establishing and administering a compensation plan. Additionally, the Governor and the General Assembly approve funding for annual performance increases that may be granted to eligible classified employees and adjustments to the pay structure.

- **Director of the Department of Human Resource Management**

The Director of the Department of Human Resource Management is responsible for making recommendations regarding the establishment and maintenance of the Commonwealth's Compensation Management System. In accordance with authority delegated by the Code of Virginia, DHRM promulgates policies and procedures that govern the administration of compensation for all classified employees of the Commonwealth. DHRM provides the Governor and the General Assembly with salary survey results projecting market movement in salaries and pay structure.

The Office of Compensation and Policy (OCP) is responsible for the following functions:

- establishing and maintaining the policies and procedures of the Compensation Management System;
- recommending to the Director of DHRM solutions to compensation and policy issues;
- providing consultation and technical assistance to agencies regarding compensation management and general policy matters;
- conducting legislative studies;
- obtaining ***Salary Reference Data*** and providing agency management with access to this information;
- monitoring and evaluating agencies' usage of pay practices and effectiveness of the entire compensation system;

- reviewing and responding to agency appeals;
- establishing and changing the pay band assignments of ***Roles (re-banding)***;
- establishing new ***Career Groups*** and ***Roles***;
- establishing or changing pay differentials;
- reviewing ***Agency Salary Administration Plans*** (see Appendix A, Agency Salary Administration Plan Guidelines and Agency Implementation Readiness Checklist)
- conducting program evaluation reviews;
- approving exceptions to state policy;
- approving innovative compensation programs;
- establishing categories of pay supplements to base pay

- **Agency Heads**

The Virginia Personnel Act specifies that the heads of all state agencies shall be the ***appointing authorities*** of their respective agencies and shall establish methods of personnel administration within their agencies. Agency heads, or their designees, are responsible for all personnel and compensation actions affecting their agencies and may assign specific compensation responsibilities to employees in leadership roles. All executive branch agencies have the authority to take the following actions that affect the compensation of employees:

- developing, implementing and evaluating the appropriateness and effectiveness of the ***Agency Salary Administration Plan*** and modifying when necessary;
- determining and documenting salaries in conjunction with the ***Agency Salary Administration Plan***;
- hiring (see Appendix C, Employment Statuses);
- approving dual incumbency of positions;
- establishing and abolishing positions;
- assigning duties to employees;
- transferring positions to and from locations;
- administering the Compensation Management System pay practices;
- conducting salary surveys and analyzing data in accordance with DHRM guidelines;
- documenting and requesting differentials, rebanding or ***Career Group*** revisions;
- approving salary supplements;

- developing innovative compensation practices for DHRM approval;
- documenting and maintaining records of all personnel actions;
- appealing compensation decisions to DHRM (see Appendix D, Appeals);
- awarding or denying compensatory leave;
- establishing alternative approaches to employee performance review (e.g. team performance)
- determining the performance rating for all employees; and
- training agency management and employees on the Compensation Management System and any prospective actions that affect employees' compensation

- **Agency Human Resource Officers**

Agency Heads typically assign the responsibility for implementing the human resource program to their human resource officer, consistent with state and agency policy. Agencies have the authority to effect most compensation decisions within the guidelines of state personnel policies, rules, and procedures. The agency human resource officer is responsible for planning, developing, implementing, and evaluating human resource programs that support the agency's mission and objectives, and for providing programs that train agency managers at all levels to assume their roles in compensation management. Human resource professionals are responsible for making consistent and sound recommendations to their agency heads and agency management. Additionally, agency human resource officers have the authority to initiate compensation studies and implement related decisions based on the unique business needs of the agency.

- **Agency Management**

Managing and administering employee compensation at the agency level, as prescribed by the Agency Head, is a critical component of the Commonwealth's Compensation Management System. Agency managers and supervisors, at all levels, must have a working knowledge and understanding of the principles and procedures of the Commonwealth's Compensation Management System to effectively manage their employees and their compensation.

- **Employees**

Employees should initially discuss any concerns they may have about compensation, including the assignment of their position to a ***Role***, with their supervisor and reviewer. If additional information is needed, employees may go to their agency human resources officer or higher-level agency officials. As a classified employee of the Commonwealth, each employee has the responsibility to become knowledgeable of the Commonwealth's Compensation Management System and the pay practices.

Employees may contribute to the compensation process by identifying their respective job tasks or assisting in this process. Employees may also participate on task forces, study teams, and oversight committees to develop new ***Roles***, competency models, skill inventories, and other tools to assist in compensation decisions. Additionally, employees evaluate their own performance through self-assessments and have greater opportunities to participate in salary negotiations.

CHAPTER 3

PROGRAM EVALUATION

Periodic program evaluation is required at the state and agency levels. The purpose of program evaluation is to promote sound human resource practices that comply with state policy and encourage continuous improvement in the design of the Commonwealth's Human Resource System.

DHRM PROGRAM EVALUATION

DHRM's program of conducting post-audit reviews of human resource actions approved by agencies has been broadened. Increased agency authority, greater flexibility in pay practices, and the movement from traditional to contemporary organizational structures requires DHRM to ensure that ***Agency Salary Administration Plans*** are consistent with the Commonwealth's human resource policies and that pay practices are administered in a fair and equitable manner.

Therefore, the program evaluation focus shifts from a system that reviews individual position actions to one that evaluates pay practices and trends to ensure policy compliance and to assist agencies in managing employee compensation and related matters. DHRM's program evaluation encourages the continuous improvement and success of agency compensation and related human resource programs.

Evaluation Objectives

- To strengthen the partnership between DHRM and agencies.
- To insure compliance with state and agency policy and practices.
- To more effectively address mutual work force priorities.
- To introduce methods that encourage continuous improvement.
- To establish and encourage a continuous learning environment.
- To evaluate the impact and results of HR programs.

AGENCY PROGRAM EVALUATION

Human resource professionals and agency managers are accountable for the consistent and accurate application of pay practices. As a component of their ***Agency Salary Administration Plans***, agencies should establish methods for evaluating the application of pay practices across organizational lines of the agency. In addition to helping ensure compliance with policy, agency evaluation programs can identify the need for refinements to the compensation system or ***Agency Salary Administration Plans***, the affect of pay practices and incentives on work force productivity, and can identify training needs for managers, supervisors, and human resource professionals. This approach encourages the continuous improvement and success of agency compensation and related employee pay programs.

INTER-AGENCY EVALUATION TEAMS

Agencies within a secretariat may elect to establish inter-agency Peer Review and/or Best Practices Teams to ensure consistency with agency plans, promote improvements in pay administration, and to identify common agency initiatives, needs, and work force issues. Such teams may consist of human resource professionals who have both the expertise and professional reputation needed to successfully function in this capacity. This cooperative approach, in which peers are accountable to each other, can be used to help agencies objectively evaluate their strengths and weaknesses and ensure that human resource programs are operationally sound.

EVALUATION CRITERIA

Program evaluation performed by DHRM, the agency, or inter-agency teams should include the review and assessment of a variety of documents, including plans, policies, and procedures. The ***Agency's Salary Administration Plan***, Training Plan, Operating Budget, data supplied to DHRM, and the agency's strategic plans can serve as primary sources for identifying the human resource related activities that should be monitored and evaluated. Generally, an evaluation program should include the following elements:

- **Compliance**

  - Identification and assessment of compliance indicators that are confirmed through sample case reviews
  - Assessment of agency policies and practices and their impact on policy compliance

- **HR Organizational Assessment**

  - Assessment of organizational structure
  - Assessment of communication/operational strengths and gaps
  - Identification and acknowledgment of policies or practices that strengthen the program
  - Recommendations for quality improvement

- **Employee Relations**

  - Sample employee interviews to obtain feedback on agency pay practices
  - Assessment of employees' understanding of compensation practices/services
  - Information that provides insight into employee or supervisory training needs

- **Results**

  - Assessment of turnover trends (external) and internal activity data (transfers, promotions, etc.)
  - Assessment of costs of pay actions (base adjustments and rewards)
  - Assessment of other agency indicators as needed (e.g., manager training participation rates)

- **Records Management**

  - Assessment of adequacy of appropriate records of all agency pay actions.

CHAPTER 4

COMPENSATION PHILOSOPHY

The Commonwealth's compensation philosophy is to pay employees in a manner sufficient to support and develop a high performance workforce that provides quality services in a fiscally responsible manner to the citizens of Virginia.

The compensation philosophy was developed based on the following underlying principles:

- To provide more flexible base pay systems that tie employee performance to agency or unit performance.

- To link accomplishments of agency or unit missions, objectives and operating efficiencies to the funds available for employee salary increases.

- To focus on the value of total compensation, which includes salary and non-salary benefits such as healthcare, retirement, life insurance; disability insurance, annual and sick leave.

- To establish base pay that is competitive with the labor market (public and private).

- To encourage employees to make a performance difference either individually or through teams where results/outcomes are more important than entitlements (i.e., seniority, hierarchy or expectation of additional pay for changing responsibilities).

- To provide salary increases that focus on employees gaining demonstrable skills and competencies that are critical to the accomplishment of agency or unit missions.

Based on this philosophy, the Compensation Management System must recognize, accommodate and support agency differences in organizational structures and missions; assure that comparable jobs are valued with similar methodology and assigned to the same Role; promote employee focus on agency

missions and outcomes; be market responsive and affordable; be administratively efficient and responsive; and be easily understood and communicated. The following goals have been identified in order to support and operationalize the Commonwealth's compensation philosophy.

- To attract qualified employees.
- To retain qualified employees.
- To motivate employees by rewarding sustained performance.
- To support management in the realization of organization objectives.

CHAPTER 5

JOB ORGANIZATION AND SALARY STRUCTURE

INTRODUCTION

The Compensation Management System increases organizational flexibility, emphasizes career development, fosters a flatter organizational structure and supports changes in job and work design. Conversely, the former salary structure was hierarchical, placed emphasis on job duties and responsibility differences and offered limited recognition of professional development and career growth opportunities for employees.

The Compensation Management System includes a consolidated job organization structure and a banded salary structure. The job organization and ***pay band salary structure*** incorporates the wide variety of work performed by the Commonwealth's classified employees.

The method in which jobs are organized changes from a classification system consisting of 1,650 job classes to a consolidated one of approximately 300 broad job ***Roles***. The job organization structure consists of 7 ***Occupational Families***, approximately 60 ***Career Groups*** and approximately 300 ***Roles***. Each ***Role*** describes the broad array of similar positions that are reflective of different levels of work within a ***Career Group*** or occupational field and are assigned to one of the pay bands. The approximate 300 ***Roles*** cover the array of jobs of the Commonwealth's classified workforce. All agency unique and central agency specific job classifications have been consolidated into this job organization structure.

The ***pay band salary structure*** consists of 9 broad pay bands that replace the former ***graded pay plan*** of 23 salary grades. The transition from a ***graded pay plan*** to the ***pay band salary structure*** was a result of a comprehensive analysis of the class specifications and a review of "best practices" adopted by public and private organizations with similar pay banding structures and alternative pay practices. The review included an in-depth analysis and grouping of the classifications that had similar duties and responsibilities and comparable knowledge, skills, abilities and qualifications.

Different combinations of the former salary grades were studied to determine the most logical grouping to achieve the objective of broader salary ranges. Several different models featuring 5 to 10 pay bands were reviewed. Dividing the former plan's 23 salary grades by 3 thus creating 8 pay bands appeared to be the most logical model. The final determination of the number of pay bands was based on the analysis and grouping of similar job classifications. The 9th pay band (beyond grade 23) was added to specifically address Mental Health physicians that serve as either Facility Directors or Medical Directors at facilities.

JOB ORGANIZATION STRUCTURE

The job organization structure is arranged into ***Occupational Families***, ***Career Groups*** and ***Roles***. ***Career Groups*** and ***Roles*** are described in ***Career Group Descriptions***.

Occupational Family

An ***Occupational Family*** is a broad grouping that includes jobs that share similar vocational characteristics. The primary criterion for designation to a particular ***Occupational Family*** relates to the nature and type of work performed. The 7 ***Occupational Families*** include:

- Administrative Services
- Engineering and Technology
- Natural Resources and Applied Sciences
- Health and Human Services
- Educational and Media Services
- Trades and Operations
- Public Safety

Career Group

A ***Career Group*** is a major subgroup of the ***Occupational Family*** that identifies a specific occupational field common to the labor market (e.g. Procurement, Forensic Science, Equipment Repair, Financial Services, Information Technology, Dentistry, Architecture and Capital Outlay, etc.).

Role

A ***Role*** describes an array of similar positions that are a reflection of different levels of work or career progression within a ***Career Group***. ***Roles*** are intended to be very broad with a single ***Role*** encompassing several former job classifications. For example, the Accountant (grade 9), Budget Analyst (grade 10), Auditor-Internal (grade 11) and Auditor-External (grade 11) in the former classification system are consolidated into one ***Role***. Each ***Role*** is assigned to a specific pay band within the salary structure.

The number of ***Roles*** in a ***Career Group*** varies from one ***Career Group*** to another. Additionally, some ***Career Groups*** have dual tracks for career advancement. For example, a ***Career Group*** may have a non-management track with entry, senior, and expert ***Roles*** <u>and</u> a management track with manager and director ***Roles***. The manager's ***Role*** may be parallel to <u>and</u> within the same pay band as the staff expert ***Role***.

<u>Career Group Description</u>

A ***Career Group Description*** specifies the nature and type of work associated with a particular occupational field and identifies the progression of ***Roles*** within a ***Career Group***. The Department of Human Resource Management maintains the master file of ***Career Group Descriptions*** (see Chapter 7 – Career Group Studies).

<u>Position</u>

A ***Position*** defines the specific core responsibilities, duties and any special assignments assigned to an employee. Through an analysis of the core responsibilities and special assignments (job evaluation process), a ***Position*** is assigned to a ***Role***. Each position is assigned the following titles:

- **Role Title**

  The ***Role Title*** is the formal State title that the employee's position has been assigned. The ***Role Title*** should be used for State reporting purposes.

- **Salary Reference Title**

The ***Salary Reference Title*** is a descriptive title commonly understood and widely recognized in the labor market. The ***Salary Reference Title*** will be used for market surveying purposes and may be linked to the federal ***Standard Occupational Classification System (SOC).*** (For transitional purposes, the class title in the former system will be retained until the SOC system is adopted.)

- **Work Title**

A ***Work Title*** is an agency-specific, or functional title, that is descriptive of the overall purpose of a position. Agencies may use ***Work Titles*** in conjunction with the employee's formal ***Role Title*** to help facilitate the recruitment process. ***Work Titles*** and ***Salary Reference Titles*** may be the same.

Employee Work Profiles

The ***Employee Work Profile*** is the official state form that lists the core responsibilities, duties and any special assignments assigned to a specific ***Position*** and incorporates the employee performance plan. Agencies may continue to use the Position Description and Performance Evaluation forms or develop their own forms as long as they include all the data elements and information contained in the ***Employee Work Profile***. The ***Employee Work Profile*** is the principle source document for evaluating and allocating the position to the appropriate ***Role*** (see Appendix E, Employee Work Profile).

JOB ORGANIZATION STRUCTURE TERMINOLOGY

Former	New
Occupational Group	Occupational Family
Class Series	Career Group
Job Class	Role
Position	Position
Class Title	Role Title
Benchmark	Salary Reference Title
Working Title	Work Title
Class Specification	Career Group Description
Position Description	Employee Work Profile

SALARY STRUCTURE

Pay Bands

Effective September 25, 2000, the Commonwealth implemented a salary structure consisting of 9 pay bands with open ranges (no steps). The first eight bands have an expanded range spread of approximately 105% between the minimum and maximum salaries. These pay bands have established minimum and maximum salaries. The ninth pay band that is exclusively established for Mental Health physicians that serve as either Facility Directors or Medical Directors does not include a specified maximum salary but is set to market.

STATE SALARY STRUCTURE
(Salaries based on 11-25-99 structure)

Pay Band	Minimum Salary	Maximum Salary
Pay Band 1	$12,689	$ 26,042
Pay Band 2	$16,577	$ 34,021
Pay Band 3	$19,811	$40,659
Pay Band 4	$25,881	$53,116
Pay Band 5	$33,811	$ 69,391
Pay Band 6	$44,171	$ 90,653
Pay Band 7	$57,706	$118,432
Pay Band 8	$75,387	$154,719
Pay Band 9 (only Mental Health Physicians functioning as Medical Facility Directors or Medical Directors)	$98,486	MARKET

The Department of Human Resource Management (DHRM) provides a guide that includes all formulas and rounding guidelines for calculating an employee's compensation which is outlined below and also available on DHRM's website.

Hourly and daily rates are used in preparing payroll and related documents. For leave balance payments, base hourly rates, and overtime rates:

Monthly Rate	=	Annual Rate divided by 12
Pay Period Rate	=	Monthly Rate divided by 2
Weekly Rate	=	Annual Rate divided by 52
Hourly Rate	=	Weekly Rate divided by 40
Daily Rate	=	Hourly Rate multiplied by 8

When an employee begins or ends service other than on the first day of a pay period or is on leave without pay for part of a pay period, he/she receives for days worked a daily amount that is proportionate to the number of days he/she was scheduled to work during the pay period. In such instances:

Daily Rate	=	Pay Period (or Semi-monthly) Rate divided by the number of workdays scheduled in the pay period.
Partial Days Rate	=	Daily Rate is divided by 8 and the result multiplied by the number of hours worked.

All amounts are rounded to the nearest penny.

Competitive Differentials

A ***Competitive Differential*** is an extension to the maximum salary in an existing pay band and is used for select jobs based on local market conditions. ***Competitive Differentials*** are approved by the Department of Human Resource Management (DHRM) and entered into PMIS. ***Competitive Differentials*** may apply to specific positions, ***Roles***, ***Standard Occupational Classifications (SOC Codes)***, locations, and/or pay areas within any agency.

Competitive Differentials allow agencies to pay higher salaries where justified by local market conditions. They are typically applied as a percentage increase to the pay band minimum and maximum. For example, if a 10% differential were applied to selected positions in Band 4, the ***Competitive Differential*** for those positions would be from ($25,881 * 1.1 =) $28,469 to ($53,116 * 1.1 =) $58,428. Employees receive the differential in their base pay as long as they meet eligibility criteria to receive it.

- **Northern Virginia Differentials**

  Northern Virginia Differentials vary from 9% to 30% based on market data. They are applied in much the same way as ***Competitive Differentials***. However, they are not agency specific. Rather, they are available to all agencies with positions in northern Virginia. For this reason, separate pay band ranges are maintained on PMIS for the northern Virginia (FP) pay area.

Sub-Bands

A ***Sub-Band*** is an identified segment of an existing pay band with a specified minimum and maximum salary within that pay band. In some situations agencies may want to establish ***Sub-Bands*** to manage employees' salaries within their pay bands. ***Sub-Bands*** are not intended for application to most employees. Law enforcement ranks are an example of where using ***Sub-Bands*** may be appropriate**.** ***Sub-Bands*** are entered into PMIS as a ***Competitive Differential*** by the agency using them. They may be of any width so long as they fall within the limits of the assigned pay band.

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STATE PAY PLAN

The State Pay Plan is an annual DHRM publication that includes the following items:

- a current State Salary Structure;
- a schematic list of ***Career Groups*** and ***Roles*** by ***Occupational Family***; and
- an alphabetical list of ***Career Groups*** and ***Roles***

Schematic List

The schematic list displays the ***Occupational Families***, ***Career Groups*** and ***Roles*** numerically by a five-digit identification code. The first two digits identify the ***Occupational Family***; the first four digits identify the ***Career Group***; and the entire five-digit number identifies the specific ***Role***.

Alphabetical List

The alphabetical list displays all ***Career Groups*** and their respective ***Roles*** and includes the pay bands, NOVA differentials, EEO Categories and overtime status. This document is an easy reference tool when researching ***Role*** information.

CHAPTER 6

JOB EVALUATION

INTRODUCTION

The Commonwealth has changed from a traditional hierarchical classification system with a graded salary plan to a compensation-based system with broad ***Roles*** and expanded pay bands. In contrast to the former system where positions were assigned to narrowly defined classes, the Compensation Management System assigns positions to broad ***Roles*** within a defined ***Career Group***. To illustrate the difference, a ***Role*** may encompass several former job classes that were assigned to a number of different pay grades in the classification system. Because ***Roles*** encompass a wider scope and levels of duties and responsibilities, the process of evaluating jobs should be clearer and less complex.

Broader ***Roles*** also significantly reduce reliance on the reallocation process. The former reallocation process will not be the major means of providing salary increases to employees. In the Compensation Management System, an employee may progress through the broadly defined ***Role*** based on assigned duties and responsibilities, the acquisition of new skills and abilities and performance. New pay practices will allow employees to be financially recognized for assuming additional duties and responsibilities and applying new skills and abilities.

Job Evaluation is the process by which jobs within an organization are compared with one another to determine their relative value. There are several methods of job evaluation. The most prevalent methods include whole job ranking, position classification, market pricing, factor comparison and point factor analysis. All of these evaluation methodologies are based on one or a combination of the following two approaches: (1) an analysis of the job as a whole or (2) an analysis of the job's individual components.

Most evaluation methods compare jobs in the organization to one another and a few compare jobs against a set scale. After a review of the various job evaluation methodologies, the Compensation Management System will retain a modified version of the ***position classification method*** or ***whole***

job evaluation approach. This non-quantitative whole job approach determines the relative value of positions by comparing them with ***Career Group Descriptions*** as well as with other positions.

COMPENSABLE FACTORS

Human resource professionals or line managers should be able to assign positions to the appropriate ***Career Groups*** by comparing the overall duties and responsibilities listed in the ***Employee Work Profile*** to the ***Concept of Work*** outlined in the ***Career Group Description***. The compensable factors will be used primarily to determine the appropriate ***Role*** to which a position should be allocated within a ***Career Group***. Definitions of the three compensable factors are as follows:

1. Complexity of Work

This factor describes the nature of work in terms of resources (e.g., machines, manuals, guidelines and forms) used or encountered and the processes applied. This factor takes into account the number and variety of variables considered, the depth and breath of activity and the originality exercised.

- **Difficulty** - the relative character of the work process and the corresponding, thinking, analysis and judgment required of the employee while doing the work.
- **Scope and Range of Assignments** – the breadth and variety of the employee's assignments.
- **Knowledge, Skills and Abilities** – the level of information, experience and qualifications needed by the employee in order to perform the assigned duties.
- **Nature of Contacts** – the extent of the employee's human interactions within and/or outside the organization in terms of both frequency and the depth of information exchanged.

2. Results

This factor describes the work outcomes and the range and impact of effects, such as the benefit or harm to citizens, the gain or loss of resources and the goodwill created.

- **Impact** – the range of people, things, and organizations directly affected by the employee**.**
- **Effect of Services** – the extent to which decisions and work products made by the employee affect the level of service, quality of work, welfare of constituents, the organization's image and cost of operations.
- **Consequence of Error** – the potential costs of the employee's mistakes in terms of financial and human costs, efficiency, morale, physical maintenance and image.

3. Accountability

This factor describes the employee's responsibility or authority exercised in terms of guidance given to fellow workers, independence and autonomy of functioning and finality of decisions made.

- **Leadership** – the level of control the employee has over resources such as people, functions, facilities and budget.
- **Judgment and Decision-making** – the types and kinds of decisions made by the employee and the finality of these decisions and actions taken.
- **Independence of Action** – latitude or freedom of action exercised by the employee.

JOB EVALUATION

Job evaluation is the process of determining the appropriate ***Career Group*** and ***Role*** to which a position is assigned. The job evaluation process has four steps:

1. **Selecting the Occupational Family:** The first step is to determine the appropriate ***Occupational Family*** by reviewing the vocational characteristics (the nature and type of work performed) outlined in the ***Employee Work Profile***.

2. **Comparing and Selecting the Career Group:** The second step is to compare the ***Concept of Work*** capsule that describes the array of work performed in the various ***Career Group Descriptions*** to the ***Employee Work Profile*** in order to determine the appropriate ***Career Group***.

3. **Comparing and Selecting a Role within a Career Group:** The third step is to evaluate and compare the ***Work Description*** (position objective; purpose of position; knowledge, skills, abilities and competencies; education, experience, certification and licensure; core responsibilities and special assignments) outlined in the ***Employee Work Profile*** to the various ***Role Descriptions*** and the ***factor matrices*** to determine the appropriate ***Role***.

4. **Comparing to other positions within a Role to ensure consistency:** The final step is to confirm the assignment of the position to the ***Role*** by checking to make sure that it is consistent with other positions assigned to the same ***Role.***

ALTERNATIVE JOB EVALUATION MODELS

The Compensation Management System allows agencies to develop a variety of other job and employee-based evaluation alternatives within the context of the broader job structure (***Career Groups*** and ***Roles***) that may more effectively meet their organizational needs and assist in providing criteria for movement within a ***Role*** and pay band. Examples of job evaluation alternatives may include skill or competency based systems or rank structures. All alternative evaluation methods must be reviewed and approved by DHRM prior to implementation (see Appendices F and G, Competency-Based and Skill-Based Systems).

CHAPTER 8

PAY PRACTICES

- **The Agency Salary Administration Plan**
- **Pay Factors**
- **Types of Pay Practices**
    - **Starting Pay**
    - **Employee Initiated**
    - **Management Initiated**

INTRODUCTION

The Commonwealth's Compensation Management System is designed to emphasize performance over entitlements by incorporating base and non-base pay practices that reflect the "best practices" used by innovative public and private organizations. The Commonwealth's Pay Practices are designed to meet the following objectives:

- To establish modern compensation practices.
- To provide management with the tools to resolve compensation problems.
- To provide management with the capability to reward and recognize performers.
- To encourage employee growth and career development.
- To reduce reliance on job reallocations.
- To support performance-based salary increases rather than across-the-board increases.
- To require management accountability.

The pay practices are designed to provide agency management with additional alternatives to reward and recognize the Commonwealth's workforce (see also Chapter 12, Employee Recognition). If used effectively, the pay practices support agencies' efforts in achieving their missions and organizational goals.

THE AGENCY SALARY ADMINISTRATION PLAN

Individual agencies are responsible for the consistent and equitable administration of employee compensation. The Agency Salary Administration Plan includes: the agency's internal compensation philosophy and policies; responsibilities and approval processes; recruitment and selection process; performance management; administration of pay practices; program evaluation; appeal process; EEO considerations; and the employee communication plan. An agency should review its plan periodically to ensure continued applicability to state policy and the agency's mission and organizational needs. (See Appendix A, Agency Salary Administration Plan Guidelines.)

Agency management is accountable for justifying salary decisions based on organizational needs, their budgets, compliance with Equal Employment Opportunity regulations and an overall understanding and demonstration of stewardship in the expenditure of public funds. Salary decisions should be consistent with the Salary Administration Plan.

PAY FACTORS

The pay practices outlined in this section are designed to allow ***variable*** salary adjustments. The most effective administration of pay practices results from using ***the range of percentage increases*** rather than the highest percentage when making salary determinations.

In determining salaries, agency management must take the following ***pay factors*** into consideration. These factors will be the basis for determining all pay decisions.

JOB BASED FACTORS

Agency Business Need: The specific activities and organizational, financial, and human resource requirements that are directly derived from the agency's mission. For example, changes in an employee's duties, abilities, etc., should be relevant to agency business need in order to be compensable.

Duties And Responsibilities: The primary and essential work functions performed by an employee or group of employees. Variation in these duties

and responsibilities help distinguish one employee from another for comparison purposes.

EMPLOYEE BASED FACTORS

Performance: The candidate's or incumbent's previous and/or current work accomplishments or outcomes and behavioral interactions that are typically assessed in written, verbal or observational forms. NOTE: All management-initiated salary increases normally are based on employees meeting an acceptable performance level (rated as "contributor" or higher).

Work Experience And Education: The candidate or incumbent's relevant employment history and academic qualifications. Work experience is the employment history of an individual, and typically includes the titles of jobs held and a corresponding description of the duties, responsibilities and tasks performed. Education is academic credentials obtained and is usually listed as high school diploma, associate degree, bachelor's degree or specific advanced degree.

Knowledge, Skills, Abilities And Competencies: Elements commonly listed for job requirements, hiring qualifications or employee credentials. Knowledge refers to information related to a particular job (e.g. principles of nuclear physics or accounting). Skills refer to acquired psychomotor behaviors (e.g., operations of forklift or personal computer). Abilities are the talents, observable behaviors, or acquired dexterity (e.g. capacity to lift 200 pounds). Competencies are the knowledge, skills, and underlying behaviors that correlate with successful job performance. (See Appendices F and G, Competency Based and Skill Based Systems.)

Training, Certification And License: Job requirements or employee qualifications that are relevant or highly desirable for a particular job. Training refers to a specialized course of instruction outside the realm of recognized academic degree programs (e.g., in-service training, etc.). Certification refers to a specialized course of study resulting in a certificate upon successful completion (e.g., Cardiopulmonary Resuscitation, Certified Professional Accountant, Emergency Medical Technician, etc.). A license is a credential that is required by law to practice one's occupation (e.g., Registered Nurse, Pharmacist, Physician, etc.).

Internal Salary Alignment: A fairness criterion that takes into consideration

the proximity of one employee's salary to the salaries of others who have comparable levels of training and experience, similar duties and responsibilities, similar performance, and similar knowledge, skills, abilities, and competencies. Internal salary alignment is determined by the examination of an employee's salary in relation to salaries of comparable co-workers.

Current Salary: The candidate's or incumbent's current base pay compensation, which may be reported as an hourly wage or a weekly, semi-monthly, monthly, or annual salary. Current salary does not include shift differentials, benefits, overtime, incentive premiums, bonuses, commissions, or other similar non-base-pay compensation.

MARKET FACTORS

Market Availability: The relative availability of suitable, qualified employees in the general labor market, which is subject to the effects of supply and demand. Consideration should be given to the agency's willingness to accept applicants with fewer qualifications in times of high market demand.

Salary Reference Data: A composite of relevant salary information (e.g., average salary range, median salary, weighted average salary, etc.) extracted from available surveys that indicate market pricing for various jobs in the Commonwealth.

Total Compensation: This includes all forms of cash compensation (e.g., base pay, shift differentials, overtime, on-call pay, bonuses, commissions, etc.) and the dollar value of the employer-sponsored benefit package (e.g., health and dental insurance, long- and short-term disability programs, paid leave, retirement, life insurance, etc.). NOTE: The greatest impact of total compensation will be on starting pay and competitive offers.

FINANCIAL FACTORS

Budget Implications: The short and long term financial consequences of pay decisions and of the way salary dollars are managed by an agency.

Long Term Impact: The strategic and financial effect of anticipated future salary costs, staffing changes, salary alignment among employees, career growth, and salary reference data changes.

TYPES OF PAY PRACTICES

The pay practices, with the exception of Starting Pay, are categorized as employee-initiated or management-initiated.

STARTING PAY

The objective of establishing a flexible ***Starting Pay*** practice is to attract highly skilled and competent job candidates to the Commonwealth's workforce. ***Starting Pay*** decisions remain the responsibility of the individual agencies and affect new employees and employees who are rehired by the Commonwealth. The ***Starting Pay*** practice is competitive and negotiable, and the candidate may be offered a salary ranging from the minimum of the assigned ***salary range*** to an increase ranging from 0% to 15% above the current salary. There are situations where the negotiated salary is less than the candidate's current or most recent salary (e.g., geographic salary differences, different competencies for the new position, internal alignment, etc.). Salary offers must be at or above the minimum of the pay band and cannot exceed the maximum of the assigned ***salary range***. Offers may exceed 15% above the candidate's current salary; however, the agency must document that the appropriate ***pay factors*** were considered, and that negotiations with the candidate transpired to ensure that an appropriate salary was offered in order to secure job acceptance. Agency heads, or their designees, have the authority to approve ***Starting Pay increases*** above 15%. In determining ***Starting Pay*** for candidates, it is important to emphasize that agencies should use the range of salary options flexibly, rather than relying on a flat percentage for all or the majority of ***Starting Pay*** determinations. When making Starting Pay determinations, the agency should consider all of the appropriate pay factors.

EMPLOYEE-INITIATED PAY PRACTICES

The pay practices included in this section are applied when an employee competes for a vacant higher, lower, or equal position through a competitive process or moves into a lower or equal position through a voluntary non-competitive selection process. Salaries are negotiated between the employee and hiring manager. (For discussion of Recruitment Guidelines, see Chapter 11.)

Promotion

A ***Promotion*** involves a competitive selection process and results in the employee's movement to a different Role in a higher pay band. Promotional salary adjustments are negotiable. The salary normally may not provide more than a 15% salary increase except when necessary to bring an employee's salary to the minimum of the assigned ***salary range***.

Agencies may process an increase up to the ***hiring range*** minimum by entering it into PMIS. If the agency wishes to advertise the position without a ***salary range*** or to advertise an approximate ***hiring range***, the ***hiring range*** minimum may be entered into PMIS at the time the promotion is processed. The ***hiring range*** minimum does not need to be entered into PMIS for promotions resulting in salary increases of 15% or less. The negotiated salary must not be lower than the Pay Band minimum or Alternate Band minimum if an Alternate Band (within the Pay Band) is established for the new position. The new salary on promotion may also not exceed the maximum of the Alternate Band or ***hiring range***, which may be lower than the Pay Band maximum. If necessary, the agency may choose to adjust the Alternate Band minimum or maximum for a position at any time. For example, an agency may wish to hire an applicant who is not fully qualified for the position as a trainee and reduce the Alternate Band accordingly. Agencies may approve exceptions to the promotion policy within the Pay Band, Alternate Band, or ***hiring range*** assigned to the position. Agencies must provide documentation of the basis for any such exceptions to DHRM.

Voluntary Transfer

A ***Voluntary Transfer*** occurs when an employee moves to a different position that is either within the same Role or in a different Role with the same pay band. ***Voluntary Transfers*** can be achieved through a competitive recruitment process or through a voluntary non-competitive process. Voluntary Transfers between state agencies must be accomplished through a competitive process. With a competitive ***Voluntary Transfer***, employees may negotiate a salary offer from the minimum of the assigned ***salary range*** up to 15% above their current salaries. The salary normally may not provide more than a 15% salary increase except when necessary to bring an employee's salary to the minimum of the ***salary range***. Agencies may process an increase up to the ***salary range*** minimum by entering it into PMIS. If the agency wishes to advertise the position without a ***salary range*** or with a ***hiring range*** minimum, the ***hiring range*** minimum may be entered into PMIS at the time

the competitive voluntary transfer is processed. The ***hiring range*** minimum does not need to be entered into PMIS for competitive ***Voluntary Transfers*** resulting in salary increases of 15% or less. There may be circumstances where the negotiated salary for a competitive ***Voluntary Transfer*** is less than the employee's current salary.

The non-competitive ***Voluntary Transfer*** allows the employee to negotiate a salary offer from the minimum of the assigned ***salary range*** to 10% above the employee's current salary. However, there may be circumstances where the negotiated salary is less than the employee's current salary. The salary offer cannot exceed the maximum of the pay band or alternate band. Note that management-initiated, noncompetitive ***Reassignment within the Pay Band*** results in no change in the employee's salary (see ***Reassignment within the Pay Band*** on page 15). Non-competitive voluntary transfers must be within the same agency or parent agency.

Voluntary Demotion

A ***Voluntary Demotion*** occurs when an employee requests to move to a different Role in a lower pay band. A ***Voluntary Demotion*** can be achieved through a competitive or non-competitive selection process. The employee's salary is negotiable from the minimum of the lower pay band up to the employee's current salary. Additionally, if the employee's current salary exceeds the maximum of the lower Pay Band or Alternate Band, the agency has the option of freezing the employee's salary for up to six months. After 6 months, the employee's salary must be reduced at least to the new Pay Band or Alternate Band maximum. The agency must explain the timing and amount of the salary reduction to the employee before the employee accepts the demotion. Non-competitive voluntary demotions must be within the same agency or parent agency.

MANAGEMENT-INITIATED PAY PRACTICES:

These pay practices are specifically designed to provide agency management the flexibility to manage employee compensation based on their agency's unique needs. Through the use of these pay practices, managers will have more influence over the agency's ability to attract, retain and reward employees who have a performance rating of "contributor" or higher. Pay practices initiated by agency management are non-competitive in nature and allow management to make pay determinations that directly impact an employee's compensation. In addition to the management-initiated pay

practices, a number of ***Exceptional Recruitment and Retention Incentive Options*** are available to assist with the recruitment and retention of employees that are critical to the agency mission and on-going operations of the agency and for which significant recruitment and retention problems exist. (See Appendix I, Exceptional Recruitment and Retention Incentive Options.)

The following pay practices are all management-initiated pay practices available in the Compensation Management System:

Temporary Pay

Temporary Pay occurs when an agency assigns an employee to perform different key and essential duties on an interim basis, for critical assignments associated with a special time-limited project, or for employees serving in an acting capacity in a higher-level position. It is a management-initiated pay practice that is typically non-competitive and may be granted to an employee for assuming new duties in the same or different Role on a time-limited basis. Typically, special project assignments will be within the scope of the employee's Role or a different Role in the same pay band. ***Temporary Pay*** is reflected in PMIS as "temporary pay" with an identified expiration date and is extended as necessary or discontinued when the employee no longer performs in the interim Role or upon completion of the special project. It is important to note that ***Temporary Pay*** does not automatically occur whenever an employee is given special assignments or assumes additional duties. This practice is reserved for situations in which the new or additional duties or assignments are organizationally critical to ongoing operation.

There are two situations in which ***Temporary Pay*** may be considered by agency management. First, the agency needs an employee to assume a different Role in a higher pay band for a period of time. In these situations, agency management can grant 0% to 15% above the employee's current salary. ***Temporary Pay*** offers cannot exceed the maximum of the higher pay band. The second situation in which ***Temporary Pay*** can be used is when the agency needs an employee to assume new duties in the same or different Role in the employee's same pay band on an interim basis or handle and complete a special time-limited project. In these situations, agency management can grant a 0% to 10% increase not to exceed the pay band maximum.

Role Change

A ***Role Change*** is a non-competitive pay practice that allows agency

management to change a position to a different Role in a higher (Upward Role Change), lower (Downward Role Change), or the same (Lateral Role Change) Pay Band. The agency's Human Resource Department is responsible for approving and monitoring ***Role Changes*** and may delegate this authority to management within the agency.

An ***Upward Role Change*** occurs when a position is assigned to a Role in a higher pay band. With an ***Upward Role Change***, agency management may grant a 0% to 10% salary increase but cannot exceed the maximum of the ***salary range*** and the salary must be increased at least to the minimum of the higher pay band.

A ***Downward Role Change*** occurs when a position is assigned to a Role in a lower pay band. The employee's salary is unchanged unless it exceeds the lower ***salary range*** maximum. In this case, the salary is maintained for a six-month period and then must be reduced to the maximum of the ***salary range***.

A ***Lateral Role Change*** occurs when a position is assigned to a different Role within the same pay band. With a ***Lateral Role Change***, agency management has the discretion to grant a 0% to 10% increase to the employee as long as the salary does not exceed the maximum of the ***salary range***. A salary increase due to a Lateral Role Change is considered an in-band adjustment and counts toward the 10% fiscal year maximum outlined for In-Band Adjustment (below).

In-Band Adjustment and In-Band Bonus

This is a multi-faceted non-competitive Pay Practice allows agency management the flexibility to adjust employee base pay or to award lump sum payments on the basis of a Change in Duties, Professional/Skill Development, Retention, and Internal Alignment.

In-Band Adjustments to the base salary provide employees potential salary growth by recognizing career progression and provide management with tools to resolve specific salary issues. ***In-band bonuses*** allow additional flexibility when a lump sum payment is more appropriate than a base pay adjustment or when management requires additional time to address budget constraints.

- **<u>In-band Adjustment</u>**

When considering in-band adjustments to the base salary, managers must consider the Pay Factors and applicable provisions of the Agency's Salary Administration Plan.

  - The range of increases for individual in-band adjustments is 0% to 10% during a fiscal year (June 25 through June 24 of the following year).
  - An employee may receive more than one in-band adjustment (including Lateral Role Change) within a fiscal year provided the increases do not total more than 10%. (Each percentage increase is added to the employee's current salary.)
  - The employee's base salary must not exceed the maximum of the assigned ***salary range***.
  - Employees at the maximum of their assigned ***salary ranges*** are not eligible for in-band adjustments. Agencies using sub-bands may grant in-band bonuses (lump sum payments) to employees' at the maximum of their sub-bands unless the sub-band maximum is the same as the maximum of the Pay Band.
  - Agencies may request DHRM approval of exceptional in-band increases that exceed 10% during a fiscal year when it is demonstrated that the circumstances, based on pay factor analysis, significantly exceed the criteria normally applied by the Agency's Salary Administration Plan. Resulting salaries must not exceed the ***salary range***.

- **<u>In-band Bonus</u>**

In-Band Bonuses allow agencies the flexibility to provide additional compensation to employees without adjusting base pay. Bonuses offer an option when:

  - A bonus is more appropriate than a base pay adjustment; or
  - Management is addressing budget constraints but is able to fund non-base adjustments in the current fiscal year.

In-Band Bonuses may be provided for the following reasons:

  - Change in duties
  - Professional/Skill Development

- Retention
- Internal Alignment

NOTE: In-Band Bonuses for changes in duties or internal alignment should be used only when, due to budget constraints, the agency requires time to develop budget options to fund base pay adjustments.

Agencies should consider the Pay Factors and provisions of the Agency's Salary Administration Plan when providing in-band bonuses.

- The range for an individual in-band bonus is 0% to 10% during a fiscal year.
- An employee may receive more than one in-band bonus (or in-band adjustment or Lateral Role Change) within a fiscal year provided the combined bonuses and salary increases do not exceed 10%.
- Employees at the maximum of their assigned Pay Bands are not eligible for in-band bonuses. Agencies using sub-bands may grant in-band bonuses to employees' at the maximum of their sub-bands. However, employees may not be granted in-band bonuses if the maximum of the sub-band also is the maximum of the Pay Band.
- Agencies may request DHRM approval of exceptional in-band bonuses that exceed 10% during a fiscal year when it is demonstrated that the circumstances, based on pay factor analysis, significantly exceed the criteria normally applied by the Agency's Salary Administration Plan.

In-Band Adjustment - Change in Duties

As business needs change, agencies redesign and reconfigure work assignments and job responsibilities based on changes in organizational goals, technology, staffing, etc. Often, agencies are required to assign additional essential work to existing staff, yet these additional responsibilities do not warrant movement to a new Role with a higher pay band assignment.

The ***In-Band Adjustment for a Change in Duties*** allows agency management to grant salary increases ranging from 0% to 10% to employees at any level of the organization who assume new higher level duties and

responsibilities that are critical to the operations of the agency. NOTE: The Temporary Pay practice should be used if a salary adjustment is appropriate for a temporary change in duties.

In considering salary adjustments, agencies should consider the extent of the change in duties and responsibilities in comparison with former duties, and also should compare the employee's salary and the duties and responsibilities to those of other employees in the agency or unit.

In-Band Adjustment - Professional/Skill Development

An important part of the Compensation Management System is to encourage and provide career growth and career progression opportunities for the Commonwealth's workforce. Therefore, this pay practice encourages and rewards employees for application of the knowledge and skills acquired through training, education, certification, and/or licensure that benefit the agency.

The ***In-Band Adjustment for Professional/Skill Development*** allows agency management to grant salary increases to employees who acquire and apply in their jobs new knowledge and skills that they have gained through professional development activities. The range of the salary increase is 0% to 10% not to exceed the maximum of the assigned ***salary range***.

In-Band Adjustment – Retention

The ***In-Band Adjustment for Retention*** is designed to discourage employees from seeking employment outside the agency in occupations that have high value in the labor market when the employees' salaries may not be competitive with the marketplace. Depending on the particular set of circumstances, agencies may grant an ***In-Band Adjustment*** in order to retain an employee or group of employees.

An in-band adjustment for retention may be granted to all employees in a particular functional area or to individual employees who are assigned to key functions. It serves as a mechanism available to management to avoid job turnover due to outside competition. Agency management may grant a range of 0% to 10% salary increases to employees to retain them as part of the Commonwealth's workforce. In no case can the ***In-Band Adjustment for Retention*** exceed the maximum of the ***salary range***.

In-Band Adjustment - Internal Alignment

The term ***Internal Alignment*** refers to the proximity of one employee's salary to the salaries of other employees in the same agency who have: comparable levels of training and experience; similar duties and responsibilities; similar performance; and similar levels of expertise, competencies and/or knowledge and skills. An ***Internal Alignment Adjustment*** is utilized when an employee is underpaid relative to the salaries of co-workers for whom these features are the same or similar.

An ***In-Band Adjustment for Internal Alignment*** is a management tool that can be used to achieve a more consistent alignment of salaries within the organization. Agencies can grant a salary increase in the range of 0% to 10% to align an employee's salary more closely with those of comparable co-workers.

In-Band Bonuses

The ***In-Band Bonus*** allows additional flexibility to give non-base adjustments when a bonus is more appropriate than a base pay adjustment or when management requires additional time to address budget constraints but is able to fund a non-base adjustment in the current fiscal year. Unlike the ***Exceptional Recruitment and Retention Incentives***, ***In-Band Bonuses*** are not restricted solely to specific positions, ***Roles***, and/or ***Career Groups*** that have significant recruitment and retention problems and are critical to the agency's mission and on-going operations. (See Appendix I – ***Exceptional Recruitment and Retention Incentive Options***.)

- ***Change in Duties:*** Although changes in duties should normally be compensated through a base pay adjustment, an ***In-Band Bonus*** may be appropriate while management develops a longer-term budget plan. It may also be appropriate to provide additional compensation in the form of a bonus to address projects or additional assignments at the same level. NOTE: The ***Temporary Pay*** practice should be used if a salary adjustment is appropriate for a temporary change in duties (additional assignment of higher level responsibilities in the same or higher pay band).

- ***Professional/Skill Development***: An ***In-Band Bonus*** could also be granted for the acquisition and application of a degree, certification, or

license. Management must assess the impact and significance of the additional KSAs acquired through professional/skill development when determining whether a base adjustment would be more appropriate than a bonus.

- ***Retention***: Agency management may grant a bonus of 0% to 10% to employees to retain them as part of the Commonwealth's workforce. This would typically be used when the retention issue is projected to have a short-term duration or when funds are not available to support a base pay increase.

- ***Internal Alignment:*** An ***In-Band Bonus*** in lieu of an ***In-Band Adjustment*** for internal alignment may be used only when budget constraints require time to develop funding to support a base pay salary adjustment. In this case, there should be plans in place to make the salary change a permanent adjustment.

Disciplinary or Performance-related Salary Action

Agency management may initiate a ***Disciplinary or Performance related Salary Action*** for employee discipline or performance reasons. In these situations, an employee can be assigned to a Role in a lower pay band or remain in the same pay band with less responsibility. If the employee is moved to a Role in a lower ***salary range***, the employee's salary must be reduced to at least the maximum salary of the ***salary range*** and may be set at any rate within the band as long as the employee receives a minimum of a 5% reduction in pay. If the employee remains in the same pay band, then the employee's salary may be reduced to any rate within that band as long as the employee receives a minimum of a 5% reduction in pay. In no case would an employee maintain his or her current salary or receive an increase in salary. The agency must redefine the duties of the employee to reflect a decrease in level of responsibilities.

Competitive Salary Offer

Agency management may approve ***Competitive Salary Offers*** to employees who are deemed critical to the agency's mission and on-going operations when the employee receives a higher salary offer. The employment offer should be in writing and can be from another State agency (***internal competitive salary offer***) or an organization external to the Commonwealth

(external competitive salary offer). For internal competitive salary offers, the other state agency may not make a second offer in response to the employing agency's counter-offer.

- **Internal Competitive Salary Offer**
  In the case of a written employment offer from another state agency, there can only be one counter offer made by the employee's current agency for a job with a higher salary within the same or higher pay band. The amount of the competitive offer may not exceed the amount of the job offer from the other agency or the maximum salary of the ***salary range***. If the employee moves to a new agency but then decides to return to the original agency, at the agency's discretion, the employee may return to the former agency and position within thirty days at the former annual salary or at the salary offered by the agency in the competitive offer process.

- **External Competitive Salary Offer**
  In the case of a written employment offer from an organization external to the Commonwealth (private, not-for-profit, public non-state agency, or state non-classified), the agency may make a counter offer to the employee. The amount of the competitive offer may not exceed the amount of the job offer from the external organization or the maximum of the ***salary range***. . If the employee moves to an external organization but then decides to return to the original agency, at the agency's discretion, the employee may return to the former agency and position within thirty days at the salary held at the time of separation or no more than the salary offered by the agency in the competitive offer process.

It is important to emphasize that ***Competitive Salary Offers*** are a way to retain employees who are pivotal to the successful operation of an agency and who have received external job offers. For extremely difficult recruitment and retention situations, the Compensation Management System has additional ***Exceptional Recruitment and Retention Incentive Options*** that may be used by agencies for employees critical to the agency mission and on-going operations of the agency and for occupations for which significant recruitment and retention problems exist. (See Appendix I, Exceptional Recruitment and Retention Incentive Options.)

Reassignment within the Pay Band

Reassignment within the Pay Band is a management-initiated action to move an employee from one position to a different position within the same or different Role in the same Pay Band. ***Reassignments*** normally are based on agency staffing needs or operational needs. When management ***reassigns*** an employee to another position within the same band, the first consideration is whether the old and/or new position has a competitive differential assigned to it. If so, the employee's salary is adjusted accordingly. If there is no competitive differential involved, the employee's base salary does not change. After any adjustment for differentials, the employee's salary must be within the Pay Band or Alternate Band of the new position. If the employee's salary is not within the pay range assigned to the new position, the ***Reassignment within the Pay Band*** transaction is not appropriate and may not be used, and agencies should contact their assigned DHRM human resource consultants for assistance in determining alternative approaches. Both ***Reassignment within the Pay Band*** and ***Voluntary Transfer*** involve (1) a move to a different position; (2) within the same or different Role; and (3) in the same pay band. However, management initiates ***Reassignment within the Pay Band*** and the employee initiates ***Voluntary Transfers (competitive and non-competitive)***. (See ***Voluntary Transfer***.)

CHAPTER 9

DIFFERENTIALS, SUPPLEMENTS AND NORTHERN VIRGINIA (FP) EXPANDED RANGES

INTRODUCTION

In addition to base salaries established within the nine Pay Bands, the Compensation Management System provides other tools to address situations where market conditions or employees' work requirements support additional monetary payments to employees. These payments are categorized as ***differentials*** or ***supplements***. They may be in effect for brief or extended periods of time, depending upon need.

NOTE: Traditionally, ***Pay Area differentials*** were paid to employees in the northern Virginia (FP) ***Pay Area***. However, effective July 1, 2003, new procedures have been established for salaries of employees in northern Virginia. They are no longer treated like other ***differentials***. They are discussed in this chapter as ***Northern Virginia (FP) Expanded Ranges***.

DIFFERENTIALS

Generally, ***differentials*** are base pay adjustments to make salaries more competitive with the market. ***Differentials*** may be applied to ***Roles***, ***Standard Occupational Classification*** (or ***SOC***) ***Titles***, ***Work Titles***, ***Pay Areas***, or individual positions in an agency and/or geographic location.

Requests for ***differentials*** are submitted with appropriate documentation to the Department of Human Resource Management (DHRM). ***Differentials*** that existed under the former classification plan were incorporated into the Compensation Management System when it was implemented. However, agencies should periodically review the need to continue ***differentials.*** DHRM also conducts such reviews.

Differentials are entered into employees' records on PMIS as special rates, or may be established as ***Alternate Pay Bands*** on position records. They are included in creditable compensation for retirement contributions.

(Note**:** Statewide staffing problems are remedied through ***re-banding*** a particular ***Role***. ***Differentials*** are used to address more localized staffing problems.)

When employees are transferred, promoted, or demoted to new positions or move to new geographic locations, those employees' salaries are adjusted according to applicable policies and any changes in their assigned differentials. Agencies should ensure that affected employees are fully informed of the applicable conditions.

Types Of Differentials

1. Competitive Differentials

Competitive differentials are based on local market conditions and are typically reflected through an ***Alternate Pay Band,*** which extends the minimum and maximum salaries of an existing pay band. ***Competitive differentials*** are administered as a percentage of base pay that may be added to the pay band to address a particular position, ***Work Title***, ***Standard Occupational Classification (SOC)*** or ***Role*** because the normal salary range is not competitive due to market conditions in a specific agency and/or geographic location. They may apply to locations in either the ***SW Pay Area*** or the ***NOVA (FP) Pay Area***.

2. Out-of-State Differentials

Out-of-State Differentials are used where the Commonwealth employs individuals who work in locations outside Virginia because the market varies in different geographic regions of the United States. To attract qualified applicants to work in other states, it may be necessary to pay ***differentials*** to more closely match the markets in these areas.

Documentation Required for Agency Differential Requests:

Agencies experiencing staffing problems due to non-competitive salary ranges in a labor market may submit a request to DHRM for consideration of a ***differential*** for individual positions, ***Work Titles***, ***Standard Occupational Classifications,*** or ***Roles***. The following information should be provided by the agency:

- **Problem Statement** that gives a concise summary of the problem. This statement should show a cause-and-effect relationship between pay and an identified problem.

  Example: During the past six months the agency has lost fifteen electricians to competing firms that pay an average of 20% above State salaries.

- **Agency Actions** that describe what the agency has done to improve staffing for the positions under study, such as expanding the recruitment area, providing in-band salary adjustments to incumbents, etc. The agency should include an assessment of why the staffing problems persist.

- **Turnover and Vacancy data** that describe the current staffing problem: turnover rate; current number and percentage of positions that are vacant; relevant historical data; and information from exit interviews. The analysis of information should focus on employees leaving for salary-related reasons. Promotions and transfers to other positions within State government, generally, are not indications of retention problems due to salary.

  Each agency is responsible for conducting exit interviews to obtain information on the reasons that employees are leaving their jobs. These interviews may reveal problems related not to salaries, but to other factors such as job satisfaction, opportunity for training and advancement, educational assistance, work environment and quality of management.

- **Recruitment** strategies that have been employed to fill vacancies. Agencies should specify the number of advertisements in a given period; media used; number of qualified applicants; salaries offered; applicants' most recent salaries and the reasons applicants have declined employment offers.

- **Starting Salary** analysis that describes the agency's experience with salary offers for new employees during the last twenty-four months. This analysis should address the position in the pay band in which employees have been hired and the number of exceptional salaries (over 15% increases) that have been approved.

- **Internal Impact** that includes an analysis of the positive and negative effects that a ***differential*** may have on the internal alignment with other employees in similar or related ***Roles*** in the agency.

- **Market Data** that may have been collected by the agency from competing firms in the local market area where the problem exists. Agencies should also assess any salary data that DHRM routinely provides. If competition is not limited to a particular locality, the collection of market data should be coordinated with DHRM.

- **Certification of Availability of Funds** based on the type of action the agency has requested. All requests for a ***differential*** should be accompanied with a statement from the agency that funds are available to support any resulting salary increases. Certification to the Secretary of Finance that funds are available to support salary increases may be required.

DHRM uses national publications that report salary data for various localities throughout the United States to evaluate requests for ***differentials***. Additionally, where necessary, salary data may be gathered from other state governments, which also compete in these marketplaces. Salary information is available to agency human resources professionals in the DHRM Resource Center.

DHRM will evaluate requests for competitive ***differentials*** based on the documentation provided by the agency. It may be determined that DHRM needs to conduct a survey to verify the local salary information or determine if there is a statewide pay issue with the pay band assignment of the ***Role***. This may involve contacting other agencies in the area with the same or similar ***Roles*** to collect information and data and assess the full impact a ***differential*** would have on these agencies.

Discontinuation of Differentials

When a ***differential*** is discontinued, employees who had qualified for the ***differential*** (e.g., in an affected ***Role***) will retain their current salaries and, unless they are at the maximum of the pay band, will continue to advance in accordance with the Commonwealth's pay practices. Employees whose salaries are at or above the pay band maximum will be frozen until the Role is ***re-banded*** or pay band adjustments allow for additional salary increases.

SUPPLEMENTS

Supplements are non-base-pay payments that apply to specific positions under certain circumstances. ***Supplements*** are designed to address unique needs of an agency and often reflect market practices used for similar jobs. These pay determinations are decentralized to agencies and do not require DHRM authorization. However, agencies must provide information on any pay ***supplements*** to DHRM prior to implementation to determine any potential statewide impact.

Supplements are processed as special payments on payroll. They are not entered into PMIS because they are not always a part of the employee's pay. They are paid only when an employee's assignment qualifies based on its time, location, or the functions performed.

Types Of Supplements

The following is a listing of some ***supplements*** that are currently in effect:

1. **On-Call:** when the employee is required to be available to return to work when necessary. Compensation is usually provided at the rate of one (1) hour of pay or compensatory leave for each eight (8) hour shift served. For a non-exempt employee, if the on-call duty is so restrictive that the employee cannot use the time effectively for his or her own purposes, the time is considered work time and must be paid in accordance with the Fair Labor Standards Act. Additionally, on-call pay must be included in the non-exempt employee's regular rate of pay when computing overtime liability.

2. **Call-Back:** when an employee is called back to work during non-work hours. Call-back pay is provided for a minimum number of hours even though the employee may actually work less than the minimum time.

3. **Shift supplements:** typically used in agencies that operate 24 hours per day, 7 days per week. Each agency must identify its work shifts that address its organizational needs. The information below provides general guidelines on shift hours. In addition, each agency must evaluate the workweek to include any work performed on the days traditionally considered a weekend (Saturday and Sunday). Employees working the second or third shift typically are paid the same supplemental amount.

However, varying amounts may be approved depending on whether employees are assigned permanent or rotating shifts.

- **First Shift:** Morning hours generally in the range of 8:00 a.m. to 4:00 p.m.
- **Second Shift:** Evening hours generally in the range of 4:00 p.m. to midnight.
- **Third Shift:** Night hours generally in the range of midnight to 8:00 a.m.
- **Split Shift:** A work schedule where the employee works two or more partial shifts rather than a continuous eight (8) hour shift.

When employees are assigned to permanent second or third shifts, agencies may include the shift pay in all payments to them by entering them on PMIS as special rates or by setting up ***alternate pay bands***, similar to the handling of ***differentials***. Shift pay then becomes part of the employees' base pay. However, such shift payments do not require DHRM authorization.

4. **Camp supplement:** paid to employees for days spent at summer camp supervising the activities of mentally disabled children.

5. **Medication supplement:** paid to employees who have completed the required training for dispensing medication, but whose ***Roles*** typically do not normally require dispensing medication. The supplement is paid for those periods when medications are dispensed.

6. **Working Condition supplement:** paid to employees who have unusual risks that exceed the normal work environment for State employees. ***Alternate pay bands*** may be set up where working conditions provide a continuing basis for higher pay, similar to differentials.

Documentation Required for Agency Determined Supplements:

Agencies need to document the rationale, the amount of the ***supplement*** and the circumstances under which the ***supplement*** will be paid and maintain this documentation in their files. Agencies must notify DHRM prior to implementing new supplements.

NORTHERN VIRGINIA (FP) EXPANDED RANGES

Until July 1, 2003, ***differentials*** were applied to employees' salaries in northern Virginia. Effective July 1, 2003, there are no longer identifiable ***differentials*** in northern Virginia. Instead, expanded ***Pay Bands***, with higher range maximums, have been approved for northern Virginia employees.

Pay Areas

The Commonwealth's pay plan recognizes two distinct pay areas (1) Statewide (SW) and (2) Northern Virginia (FP). In northern Virginia, or "NOVA," market conditions have consistently required the payment of higher salaries than in other areas of the state.

Statewide Pay Area (SW)

The Statewide Pay Area (SW) applies to positions in all localities in the state except those designated in northern Virginia.

Northern Virginia Pay Area (FP)

The northern Virginia Pay Area (FP) applies to positions located in the counties of Fairfax, Arlington, Prince William and Loudon, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.

Expanded Ranges

Beginning July 1, 2003, the maximums of Pay Bands 1-6 have been expanded by a standard 30% for positions in northern Virginia. A standard 20% expansion has been applied to the maximums of Pay Bands 7 and 8. The FP Pay Band minimums equal the statewide minimums, so that the FP Pay Bands are more than 105% wide. DHRM may adjust these expanded ranges from time to time as determined by the competitive rates for comparable jobs.

Northern Virginia expanded ranges provide a tool for staffing in the northern Virginia area. The amounts they are expanded are generally based on competitive rates for comparable jobs paid by other employers in the northern Virginia area. They are not cost-of-living allowances (COLA's) and they are subject to change.

Agencies should manage salaries within the FP Pay Bands based on the 13 Pay Factors, similar to the way all other salary determinations are made. Agencies may use Hiring Ranges and Sub-Bands, as necessary, to assist them in managing salaries of employees in northern Virginia.

As stated above, ***northern Virginia expanded ranges*** are applied to positions' Pay Band maximums. The salaries of individual employees in northern Virginia are recorded in PMIS in the same way as are the salaries of employees in other areas of the state. There is not a separate portion of a northern Virginia employee's salary that is identifiable as a ***differential***.

When an employee moves to another position within northern Virginia or into or out of northern Virginia, the employee's new position may have a higher, lower, or the same salary range maximum. The new position may or may not have an expanded range. Where the range maximum changes, there is no automatic adjustment to the employee's salary, provided it does not exceed the new range maximum.

Employees' salaries <u>may</u> be adjusted as outlined below if their positions' range maximums change for reasons such as a Pay Band or Pay Area change.

Management-initiated actions that may affect an employee's salary include Temporary Pay, Role Changes, Reassignments Within the Pay Band, Disciplinary Demotions, and Performance Demotions.

For Temporary Pay and Role Changes, management first applies the rules outlined in Policy 3.05 and then determines whether or not there should be an additional adjustment to the employee's salary due to a change in the position's salary range because an expanded range maximum applies to the old or new position. Management should consider the 13 Pay Factors in making this determination.

The pay band maximum does not limit Temporary Pay. For Lateral or upward Role Changes, the new salary cannot increase to an amount that exceeds the new range maximum. If a downward Role Change results in an employee's salary exceeding the new range maximum, the salary is maintained for six months and then reduced to the range maximum.

For Reassignments Within the Pay Band, the employee's salary normally does not change. However, management may decide to adjust the employee's

salary based on a change in the position's applicable range maximum and the 13 Pay Factors. The new salary cannot exceed the assigned range maximum.

Performance and Disciplinary Demotions require a minimum salary reduction of 5%. Agency management may decide the extent to which the reduction should be greater than 5% based on any range maximum change and the 13 Pay Factors. The new salary may not exceed the new salary range maximum.

Employee-initiated actions include Promotions, Voluntary Transfers, and Voluntary Demotions. For these actions, the employee's new salary will be negotiated based on the 13 Pay Factors. Agencies may consider any change in the range maximum of the new position in their negotiations. The employee's salary may not be increased to exceed the new salary range maximum. If the employee's current salary exceeds the new range maximum, the agency may freeze the salary for six months, after which the salary must be reduced to the range maximum.

CHAPTER 10

SALARY SURVEYS

SALARY REFERENCE DATA

Salary information is an important tool in managing employee compensation and comparing the competitiveness of Commonwealth's salaries to the labor market. This information is used in several ways.

Pay Band Adjustments

The Department of Human Resource Management (DHRM) provides an analysis of salary information to the Governor and the General Assembly to support the decision to adjust the pay structure. The information is derived from range adjustment projections found in surveys conducted by national compensation organizations. DHRM also provides information on projected performance increase budgets to the Governor and General Assembly for use in determining funding for performance increases.

Salary Management for Roles and Employees

DHRM maintains a collection of salary surveys covering public and private firms in a wide variety of occupations and geographic locations. DHRM also conducts surveys to supplement these sources and will assist agencies in analyzing and applying the survey data.

A summary of the survey data related to each ***Role*** is available to the agencies on DHRM's website. The ***survey summaries*** will vary among the different ***Roles*** since a variety of data and survey sources will be used (see Appendix J, Survey Summary Data Sample). Not all survey sources will provide information for every ***Role***. Agencies will use the survey data to manage employee compensation in the following ways:

- **Managing Employee Salaries**

  The ***survey summaries*** provide agencies with information that will enable them to target their salary increase dollars to specific employees where labor market competitiveness is critical. The agencies may use the

survey summaries to allocate a larger percentage of their salary budgets to jobs that are critical to the operations of the agency and that are experiencing unusual salary movement in the market.

Since ***Roles*** combine a number of jobs within a Career Group, survey data are often not applicable to an entire ***Role***. The ***survey summaries*** provide salary data on discrete jobs in the labor market. For example, carpenters and electricians are assigned to the Trades Technician III Role and the ***survey summaries*** may be different for these two jobs.

- **Adjusting Pay Ranges**

Agencies are responsible for monitoring salary data for ***Roles*** used and targeting salary increases based on this information. However, if the rate for a particular type of job (e.g., electrician) increases faster than the State's band structure, staffing problems may result.

When agencies experience staffing problems, they should review salary and staffing data, including turnover and vacancy information. Agencies experiencing or anticipating staffing difficulties may contact DHRM to request the establishment of ***differentials***, ***Career Group revisions*** or ***re-banding*** a particular ***Role***.

- **Salary and Competitive differentials** are used when a particular type of job (e.g., electrician) is not paid competitively with the geographic labor market. Typically, ***differentials*** are used to address staffing problems that arise due to turnover and prolonged vacancies. Agencies may contact DHRM to request consideration of a ***differential***. DHRM assesses the extent of the problem and the impact a ***differential*** would have on other jobs and agencies. If justified, DHRM may approve a ***differential***.

  Additionally, DHRM monitors the ***differential*** plan for positions in the northern Virginia area (NOVA). ***NOVA differentials*** are adjusted based on market and staffing data from that geographic area. In some cases, adjustments to the differential may require a request for additional funding.

- **Career Group Revision** results from a study of jobs using salary data and the compensable factors. In these situations, specific types of jobs within a ***Role*** may move to a higher or lower pay band.

  When a ***Career Group*** is revised, the ***Career Group Description*** must be updated to reflect the changes in the assigned ***Roles***. Employees that move to a different ***Role*** may have their salaries adjusted according to the rules governing ***Upward or Downward Role Changes*** (see Chapter 8, Pay Practices).

- **Re-banding** is the change of a ***Role*** to a higher pay band due to extreme changes in the labor supply or market conditions. Since there is a 30.6% difference between the minimum salary in each pay band (with the exception between pay band 2 and 3 which has a 19.5% difference) ***re-banding*** will occur infrequently and is typically in response to extreme labor market changes. All agencies affected by ***re-banding*** must be able to fund any resulting salary increases provided to employees.

REQUESTS FOR DIFFERENTIALS, CAREER GROUP REVISIONS OR RE-BANDING

When an agency experiences staffing problems due to the lack of competitiveness with the labor market, the agency may submit a request to DHRM for consideration of a ***differential***, ***Career Group revisions*** or the ***re-banding*** of a ***Role***. The following information should be provided by the agency:

- **Problem Statement** that gives a concise summary of the problem. This statement should show a cause-and-effect relationship between pay and an identified problem. (*Example*: "During the past six months, the agency has lost fifteen electricians to competing firms that pay an average of 20% above State salaries.")

- **Agency Action** that describe what the agency has done to improve staffing for the positions under study, such as expanding the recruitment area, providing in-band salary adjustments to incumbents, etc. The agency should include an assessment of why it believes the staffing problems persist.

- **Turnover and Vacancy** that describe the current staffing problem: turnover rate; current number and percentage of positions that are vacant; relevant historical data and information from exit interviews (see Appendix K, Turnover Rate Computation and Usage). The analysis of information should focus on employees leaving for salary-related reasons. Promotions and transfers to other positions within State government are not normally indications of retention problems due to salary.

  Each agency is responsible for conducting exit interviews to obtain information on the reasons why employees are leaving their jobs. These interviews may reveal problems related not to salaries but to other factors such as job satisfaction, opportunity for training and advancement, educational assistance, work environment and quality of management.

- **Recruitment** strategies that have been employed to fill vacancies. Agencies should specify the number of advertisements in a given period; media used; number of qualified applicants; salaries offered; applicants' most recent salary and the reasons applicants have declined employment offers.

- **Starting Salary** analysis that describes the agency's experience with salary offers for new employees during the last twenty-four months. This analysis should address where in the pay band employees have been hired and whether any exceptional salaries have been requested.

- **Internal Impact** that includes an analysis of the position and negative effects that a ***differential***, ***Career Group revision*** or ***re-banding*** may have on the internal alignment with other employees in similar or related ***Roles*** in the agency.

- **Market Data** that may have been collected by the agency from competing firms in the local market area where the problem exists. Agencies should also assess any salary data that DHRM routinely provides. If competition is not limited to a particular locality, the collection of market data should be coordinated with DHRM.

- **Certification of Availability of Funds** based on the type of action the agency has requested. All requests for ***Career Group revision*** or ***differential*** must be accompanied with a statement from the agency that funds are available to support any resulting salary increases. Certification to

the Secretary of Finance that funds are available to support salary increases is required for ***Career Group revisions*** or ***re-banding*** a ***Role***.

If DHRM declines the request, agency heads or their designee(s) may appeal the decision (see Appendix D, Appeals).

CONDUCTING SALARY SURVEYS

DHRM routinely monitors salary information and identifies trends. When an agency submits a request for a ***differential***, ***Career Group revision*** or the ***re-banding*** of a ***Role***, DHRM will assess all the available information.. If necessary, DHRM may conduct a salary survey to validate the State's market position or request that the agency conduct a survey.

State agencies need to be sensitive to burdening other employers with requests for salary data. Therefore, in areas outside the metropolitan Richmond area, agencies should coordinate data collection with other agencies in the local area that have the same type of positions. Also, agencies in the metropolitan Richmond area should coordinate data collection with DHRM. Agencies are asked not to contact the central personnel departments in other States without DHRM's concurrence.

The following guidelines should be used by agencies in their surveying efforts. (These are the same guidelines that DHRM follows in conducting salary surveys):.

- **Selecting the jobs to survey:** A survey may gather information relating to an entire Career Group, a ***Role***, or to a specific group(s) of positions within a ***Role*** (e.g., electricians within the Trades Technician II Role). This decision should be based on the nature of the current or potential staffing problems that are being addressed. The range of positions used by the agency or agencies experiencing the staffing problems may also influence the breadth of the survey.

- **Defining the relevant labor market:** This step identifies other employers who compete with the Commonwealth for employees that perform similar work. The market may vary from a few local employers in a particular industry to employers in various industries nationwide. The market for jobs performing duties that are unique to government would be local, state or

federal government agencies (e.g., social service, law enforcement and regulatory jobs).

- **Private Industry** includes firms in the relevant labor market (Virginia, the Southeast or Middle-Atlantic regions, or the United States) that may be selected from the Virginia Employment Commission's employer list or from membership lists of human resource or compensation associations. Salary surveys should always take into account the salaries paid by private firms for comparable jobs.

- **Government** entities, including local, state and federal agencies, may provide the most relevant comparison to State-level jobs. For a large number of state jobs, there are no comparable positions in the private sector. Additionally, the Commonwealth often competes for the same workers as federal agencies and localities attract.

- **States in the Southeastern or Mid-Atlantic region** represent the most relevant labor market for the Commonwealth's jobs. The suggested use of data from regional states does not preclude the use of data from other states, localities, or federal agencies if there is active competition with them for employees in the job ***Role*** under review. Florida, Georgia, Kentucky, Maryland, North Carolina, South Carolina, Tennessee and West Virginia are considered in many compensation studies, for the following reasons:

  - using the same regional states in all studies provides consistent results;
  - salaries paid by these states are comparable to salaries paid in Virginia;
  - in national salary surveys of private industry and state governments, Virginia employers' are typically grouped with the Southeastern or Mid-Atlantic region; and
  - the characteristics of the labor force (e.g., the size of the labor force, occupational and industrial mix, salary levels, union membership) in the Southeastern states are similar to those of Virginia.

- **Identifying Competitors:** DHRM may ask agencies to assist in identifying their competitors in the relevant labor markets. Employee exit

interviews are valuable sources for identifying competing firms. Additionally, agency managers and supervisors may maintain professional contacts with private firms and participate in their professional organizations that can often provide valuable information.

- **Compensation Publications**

Survey reports by professionally recognized national compensation organizations and consulting firms are often used. DHRM participates in a number of these surveys and receives these reports routinely. A list of these survey sources is on DHRM's website.

DESIGNING A SALARY SURVEY INSTRUMENT

Survey instruments are designed to ensure that useful and accurate data are obtained, and that completing the survey is not an undue burden on respondents. Surveys may be conducted in writing, by telephone or by fax (see Appendix L, Sample Salary Survey Format).

Types

Surveys typically are in written form if the number of jobs or the number of surveyed employers is large.

Telephone surveys may be used if the number of jobs and employers is small and the study must be completed within a short timeframe. Additionally, telephone surveys are preferred in instances where the jobs are unusual or complex because two-way communication assists in ensuring appropriate job matches.

Facsimile (FAX) transmissions and electronic mail (E-mail) are especially useful when time is limited.

Format

There is no prescribed format for salary surveys. Rather each survey should be tailored to meet the specific purpose of the survey. There are several points that should be considered when designing the format of a survey:

- Assign a code to each company surveyed and assure prospective respondents that their data will be kept confidential;
- Identify each surveyed job by a ***Salary Reference Title*** that is likely to be understood in the private sector or in other public agencies;
- Do not include salaries of state jobs in the survey instrument since this may lead some respondents to match salaries rather than jobs;
- Obtain matching job title and the number of employees in the job from the respondents to assist in determining if it is an appropriate job match; and
- Obtain from the respondent the degree of job comparison by indicating whether their job is "similar in complexity"; "somewhat more" (or) "less complex"; or "considerably more" (or) "less complex".

Capsule Job Description

The salary survey should include "capsule" descriptions of the work performed by the employees being studied (see example in Appendix L, Sample Salary Survey Format). Some important points include:

- The capsule should include the nature and level of the work.
- The organizational level of the job should be indicated, particularly for management jobs, and the reporting relationships should be clearly stated.
- The capsule should be specific enough to enable the respondent to determine a reasonable match to the job. However, it should not be so detailed that it excludes reasonable matches.

Salary Data Elements

Salary surveys typically ask respondents for the salary range and average (mean) salary paid to current employees. However, human resource professionals should understand the following salary terms and incorporate them into salary surveys as appropriate.

- **Salary Range** assigned to a job generally indicates its value to the organization. The spread (or width) between the minimum and maximum of the salary ranges may vary, depending upon the organization's salary structure.

- **Minimum Salary** is the entry level of pay for a job. It is usually the hiring rate for applicants with minimum qualifications.

- **Hiring Rate** is the pay rate used for starting salaries for applicants. The hiring rate may differ from the minimum salary if market conditions require the employer to hire minimally qualified applicants above the range minimum. The hiring rate may be used as the minimum salary for survey purposes if the employer has no salary range.

- **Maximum Salary** is the highest salary that an employee may receive in a given job. The maximum salary is the highest value the employer has attached to the job.

- **Midpoint Salary** is the halfway point between the range minimum and maximum salaries. The midpoint salary is used to compare various salary range widths and is one of the most helpful salary data elements used in surveys. Survey instruments usually do not ask for midpoint salary since it can be easily calculated by adding the minimum and maximum salaries and dividing the sum by two.

- **Longevity Pay** is a supplement paid to long-term employees, regardless of their job performance. Some organizations incorporate longevity pay into their salary structures. DHRM does not consider longevity pay in analyzing survey data. Survey instruments should request respondents to exclude longevity pay from their responses.

- **Simple Average (Mean) Salary** includes the total salaries of all employees in a particular job divided by this number of employees. The simple average (mean) salary is a good indicator of competitiveness because it relates, more than the range indicators, to the salaries that employees are actually being paid.

- **Median Salary** is a measure of central tendency that indicates the middle value in a range of salaries. The median salary has an equal number of salaries above and below it. In the case where there is an even number of

salaries, the median salary is determined by averaging the two middle salaries. The median can be used if there is a large number of employers responding to the survey. An advantage of the median salary is that it reduces the statistical effect of extremely high or low salaries.

- **Percentiles** are values on a scale of one hundred that indicate the percent of distribution. The median is equivalent to the 50th percentile. Percentiles are useful in determining the agency's relative standing in the labor market. For example, if the average electrician's salary in an agency equates to the 10th percentile of electricians' salaries in a survey, this means that 90% of the electricians in the survey are paid as much or more than the agency's electricians. This would indicate that the agency should consider ways to increase their electricians' salaries. On the other hand, it may be appropriate for a new, inexperienced employee to be paid at the 10th percentile, just as it may be reasonable for a highly skilled and experienced employee to be paid, for example, at the 80th percentile.

- **Effective Date of Salary Data** should be obtained from all respondents of the salary survey. If the salaries are not reasonably current, they should be adjusted by an estimated percentage to account for market movement. This process is often called "aging" the survey data. DHRM can provide assistance in locating and applying these estimates.

- **Benefit and Pay Supplements** such as free housing, uniform allowance and meal allowances affect total compensation for some jobs and should be considered in determining market competitiveness for such jobs. For most studies, however, agencies do not need to include requests for benefits information in their salary surveys. DHRM periodically surveys employers to compare and analyze the competitiveness of the State's benefit package.

ANALYZING SALARY DATA

Determining Salary Deviations

The simple average (mean), minimum, midpoint and maximum salaries from the survey respondents may be used to determine salary deviations. Surveys conducted by DHRM and agencies do not usually include enough employers for the median to be useful. However, published national surveys that include median and other percentile values may provide useful information.

The simple average of responding firms' data may be used to indicate the prevailing practice among employers. However, the simple average salary must be used with care. Employers with a small number of employees in a job will have a disproportionate effect on the average.

A method to offset this effect is to obtain a ***weighted average salary***. A ***weighted average*** is obtained by adding all of the respondents' total salaries for a job and dividing the grand salary total by the total number of employees reported. The resulting figure is the ***weighted average salary***. When ***weighted averages*** are used, large employers have more influence than smaller employers on the calculation of the market rate. A ***weighted average salary*** is a more appropriate measure than the simple average (mean) salary in an active market where large employers are hiring more employees in those jobs than smaller employers.

Calculating Salary Deviations

Deviations indicate the adjustment that would be necessary for the Commonwealth's salary to be equal to the competitors' average salary. An average deviation can be calculated for any salary data element that is collected in a survey, including the range minimum, range midpoint, range maximum and average salary.

The deviation is computed by subtracting the competitors' average salary from the Commonwealth's corresponding salary (minimum, midpoint, maximum, or average salary) and dividing that difference by the Commonwealth's salary. Multiplying the quotient by 100 gives the percent deviation. Survey differences are always expressed as a percentage of state salaries to the market, as illustrated below.

Example: (Comparing range midpoints)

Virginia's Midpoint		Competitors' Avg. Midpoint		Difference		Virginia's Midpoint	Deviation
$15,000	-	$16,000	=	- $1,000	(divided by)	$15,000	= - 6.67%
$26,000	-	$24,000	=	+$2,000	(divided by)	$26,000	= + 7.69%

Negative Deviation is the percentage that Virginia's range midpoint would need to be increased to equal the competitors' range midpoint ($15,000 x .0667

= $1,000 and $15,000 + $1,000 = $16,000). In other words, Virginia's range midpoint is – 6.67% behind the market.

Positive Deviation indicates the percentage amount that Virginia's range midpoint would have to be reduced to equal the competitors' range midpoint ($26,000 x .0769 = $2,000 and $26,000 - $2,000 = $24,000). In this case, Virginia's range midpoint is + 7.69% higher than the market.

CHAPTER 11

RECRUITMENT AND EMPLOYMENT

INTRODUCTION

The Commonwealth's recruitment goal is to attract and employ a highly qualified and diverse workforce to provide quality services to the citizens of Virginia. The Commonwealth intends to stay abreast of current labor market trends and best practices in recruitment in order to remain a viable and attractive employer to the general public.

This Chapter is designed to assist agencies in developing a recruitment and employment program (for procedural guidelines, refer to the Department of Human Resource Management's ***Hiring Policy #2.10***). All recruitment and employment actions must be consistent with the agency's equal employment opportunity programs and objectives and must ensure that hiring procedures are consistent with all relevant state and federal employment laws (See ***Chapter 15, Legal Issues***).

DEVELOPING A RECRUITMENT PHILOSOPHY AND STRATEGY

The Commonwealth is comprised of a multitude of agencies with diverse missions, organizational structures, cultures, management styles, work practices, employment needs, and growth opportunities. Due to this diversity, it is important that each agency use its individual characteristics to develop and market its own identity and "*employment brand*" to current and potential employees.

In contemporary recruitment practice, the term "*employment brand*" refers to an organization's unique traits and characteristics that are valued by employees and prospective employees and is used as part of their marketing strategy. The concept of *employment branding* is widely used in the private sector as the way an organization distinguishes itself internally and externally as "an employer of choice."

Each agency should identify its unique traits and characteristics and incorporate this in its recruitment philosophy and strategy. It is important that agencies continually review their recruitment philosophy and strategy to ensure that it is consistent with their mission and organizational needs.

The agency should then develop a creative recruitment strategy that will provide a steady flow of highly qualified applicants. It is important to note that the agency's recruitment strategy may change over time based on changes in ***agency business needs***. In developing this strategy, agencies should take into consideration the following:

- Develop the agency's "*employment brand*" - define the unique traits and characteristics of the agency's mission, culture, and work environment that will appeal to and attract talented applicants.

- Set priorities, identifying jobs that are critical and have the most significant impact on the agency's mission and services and where recruitment efforts and dollars need to be targeted.

- Determine the agency's market position relative to the different recruitment markets that are identified taking ***total compensation*** (base pay and benefits) as well as non-compensation-related attributes such as environment, culture, mission, etc. into consideration.

- Review utilization statistics and applicant flow to determine areas in need of focused recruitment activities to enhance diversity.

- Define the different recruitment markets (e.g. local, regional and national) for each grouping of jobs. After the markets have been defined, identify the variety of recruitment strategies to employ based on these groupings (e.g., newspaper vs. professional journal advertisement; "cold calling"; local vs. regional/national job fairs; college recruitment; employment mailings: speeches/presentation to targeted groups; recruitment booth at professional meetings/conferences; posted announcements in targeted locations; web recruitment advertising services, etc.).

EVALUATING VACANT POSITIONS

The first step in responding to a vacancy is to review the organizational needs and determine the most effective way to support the agency's mission. Factors to consider when evaluating a vacant position should include the agency's current business needs, program requirements, and budget implications as well as changes in the position's reporting relationship, duties and responsibilities, employment qualifications and staffing levels.

Frequently, a position's responsibilities and work activities have evolved based on the current incumbent's skills, knowledge and expertise rather than the needs of the organizational unit and agency. A vacancy allows agency management the opportunity to reassess the position's current work functions and realign and redesign them if necessary to meet their current organizational needs. Agencies should be cautious about replacing a vacant position automatically without evaluating the work assignments and the impact these assignments have on the operation of the organizational unit and the agency as a whole.

When a position becomes vacant, this is an opportunity to determine if you should:

- fill the position as it currently exists;
- redesign the position based on changing needs of the organizational unit and agency;
- redistribute assigned tasks among existing staff or privatize the function; or
- abolish the position and functions altogether.

When a position is redesigned or reconfigured, the Hiring Manager should revise the ***Employee Work Profile*** and document the ***Core Responsibilities***, key behaviors and competencies, reporting relationship and qualifications. The agency's Human Resource staff should determine if the existing ***Role*** and/or ***SOC*** title remains appropriate for the redefined job or if it should be assigned to a different ***Career Group*** and/or ***Role*** or ***SOC*** title.

Position vacancies occur for a variety of reasons besides turnover. A vacancy may result from the establishment of a position based on changing agency business needs or the development of a new program/services, as well as replacing an employee who is on a conditional leave without pay or long-term disability. Depending on the circumstances, agencies may elect to use

wage or contract employees rather than fill a vacant position on a permanent basis.

NOTE: See ***Executive Order 9(2002)*** the Commonwealth's Hiring Guidelines effective beginning February 22, 2002 until June 30, 2006.

DETERMINING SELECTION CRITERIA

The focus of recruitment is not merely to attract candidates, but attract and hire *qualified* candidates. The first step in this process is to review, revise or develop a carefully prepared ***Employee Work Profile*** (EWP). The EWP is the cornerstone of the recruitment process and is the basis for validating employment decisions. Using the EWP assures job relatedness for all employment decisions. Human Resources should review the EWP to resolve any questions prior to recruitment. The position should be assigned to its proper Career Group and Role, and if appropriate, a hiring range assigned. The EWP should reflect the following:

- ***core responsibilities***;
- knowledge, skills and abilities (KSA's) and/or competencies required to successfully perform the work; and
- education, experience, licensure, certification required for entry into the position.

Other resources besides the EWP that should be used to develop the selection criteria include:

- applicable statutes or laws setting forth educational requirements, licenses, or occupational certificates required for the position; and
- previous postings for the same or similar positions.

The selection criteria are an essential part of the recruitment and selection process. It is important that the criteria be directed related to the ***core responsibilities*** of the position – that they be *job-related*. The selection criteria provide the foundation and justification for the following:

- the job posting announcement and/or advertisement;
- screening out unqualified candidates;
- determining who will be interviewed;

- developing interview questions; and
- determining who to hire.

Minimum qualifications are the knowledge and skills, education, and experience that an applicant must possess in order to perform the critical job requirements. For example, "knowledge of general procurement practices" may be a required criterion for a buyer. ***Minimum qualifications*** should be described in the following terms:

- **Knowledge:** a body of information applied directly to the performance of a function (usually information that is factual or procedural in nature).
- **Skill:** a present, observable competency to perform a learned, psychomotor act (e.g., typing skills).
- **Ability:** a demonstrated competence to perform an observable behavior or a behavior that results in an observable product (denotes current competence in doing specific job content actions, not the person's capacity to acquire this competency).
- **Competency:** a behavior, knowledge and skill that directly and positively impacts the success of employees and the organization.
- **Special licenses, registration, and certification:** required by State law to perform the job functions.
- **Education:** if required by law (reference the applicable law); if not, state that a combination of experience, education and/or training may be substituted.

Preferred qualifications are the additional factors that would enable an applicant to be more competitive than the minimum qualifications. These will be used to help rank qualified candidates. For example, for a state buyer position, "knowledge of state procurement policies" might be a preferred criterion.

Selection criteria should be specific enough to allow differentiation between applicants and to help select the most appropriate person for the position. Selection criteria should represent ***Bona Fide Occupational Qualifications (BFOQ)*** – those that are reasonably necessary for operation of the business. For example, "the ability to move 40 pounds" is a ***BFOQ*** for a storekeeper who must move boxes as part of the essential functions of the job or primary job duties. Other examples include sitting for extended periods, other unusual physical requirements, etc.

DEVELOPING RECRUITMENT APPROACHES

After the agency has developed its recruitment philosophy and strategy, the approach used to recruit will depend on the degree of importance and the impact the vacant position(s) have on the agency's mission and business needs. This assessment will determine how expansive or restrictive the recruitment approach should be for each position, which, in turn, will directly impact the size of the applicant pool. The more difficult a position is to fill (low labor supply and high market demand), the more focused and concentrated the recruitment strategy becomes.

Examples of recruitment approaches for low demand, high supply jobs:

- VEC postings
- Job posting on community boards
- RECRUIT
- Ads in local newspapers
- Local job fairs

Examples of recruitment approaches for high demand, low supply jobs:

- Advertising in professional journals and nationally circulated newspapers and Internet
- "Cold calling"
- Contacting professional organizations for member mailing list and develop specialized recruitment mailing
- Job booth at professional conference
- Recruitment at colleges and universities
- Attending local professional organization meetings and provide hand-outs or make presentation
- Instituting an Employee Referral Program
- Web-based recruitment services and sites
- Referrals by agency staff members

The use of recruitment sources varies with the type of job. Typically, **clerical and entry-level** positions are recruited locally, sometimes using local newspapers, walk-in applicants, RECRUIT listings, agency website listings and/or employee referrals. **Professional and technical** candidates are usually recruited from a larger labor market using methods listed above as well as

specialized publications. **Managerial and executive-level** recruitment often includes a regional or national search.

DETERMINING AN ADVERTISING (JOB POSTING) APPROACH

The overall advertising strategy employed by the agency will have a direct impact on the quality and quantity of the applicant pools. It is important that the Hiring Manager in consultation with the agency's Human Resource Office develop an advertising strategy that results in a sufficient number of highly qualified applicants. In order for this to happen, the following options should be considered prior to advertising a vacancy:

- the scope of the advertising;
- the duration of the advertising notice;
- the job-specific information to include in the advertisement;
- the form of application that will be required;
- the salary range to advertise; and
- the title to advertise.

Scope of the Advertising

Executive Order #73 (01) requires all agencies in the Commonwealth's Executive Branch to participate in DHRM's centralized recruitment program. This program requires agencies to post all vacant positions (other than those advertised as internal to the agency only) in RECRUIT.

Positions may be posted daily in RECRUIT and viewed on DHRM's website. Applicants can also view job posting off-line at any Virginia Employment Commission office or public library throughout the state. Agencies may place newspaper advertisements or use other sources of advertisement such as professional journals and Internet job posting sites as deemed appropriate.

The first point an agency should consider is how wide an audience it wants to reach with the advertisement. This decision should be based on factors such as the agency's equal employment compliance objectives, the availability of qualified applicants and the size of the applicant pool desired. Generally, there are three advertising methods that can either limit or expand the audience.

1. Agency Internal Recruitment: restricts recruitment to the agency's current classified and wage employees. This advertising strategy is most effective when knowledge of agency-specific policies, systems, and processes are strong hiring preferences or when the internal pool is likely to possess the necessary qualifications to perform the work. This strategy encourages career growth and development within the agency and reinforces and rewards high work performance among existing employees. These positions are not required to be posted in RECRUIT.

2. State Employees Only: broadens recruitment to all current state employees (excludes employees from the Virginia Retirement System, the State Corporation Commission, State Lottery, and Workers' Compensation Commission). This advertising strategy is most effective when knowledge of the Commonwealth's policies, processes and systems is considered essential and when the applicant pool is large enough to provide the technical expertise and competencies needed while enhancing diversity. Similarly, this strategy encourages career growth and development within the public sector.

3. General Public: further broadens recruitment to the general public. This advertising strategy is most effective when the applicants who possess transferable skills are readily available in the labor market, recruitment needs to be open to a wider applicant pool due to the short supply of qualified applicants, or when needed to enhance diversity.

Duration of the Advertising Notice

All classified positions except those advertised internally to the agency only must be posted in the Commonwealth centralized recruitment system, RECRUIT. The Hiring Manager in consultation with the agency's Human Resource Office should determine the length of time the vacancy should be posted in order to obtain a sufficient applicant pool. (NOTE: There are several exceptions where positions do not have to be posted in RECRUIT. Refer to DHRM's ***Hiring Policy #2.10*** for details.) Several posting options exists:

- **Minimum posting period:** The required minimum posting period is 5 consecutive workdays (not counting Saturdays, Sundays, or holidays, even if these are considered workdays).

- **Fixed posting period:** The recruitment period has a specific close date and all applications received by the closing date are considered.

- **Open until filled:** The recruitment is closed after a suitable pool of applicants is generated, or when the position is filled. It must be open at least five consecutive workdays.

- **Continuous recruitment:** The recruitment period is continuous. This method is used for jobs where recruitment is difficult and the organizational need for these jobs is on-going. The benefit of the continuous recruitment option is that it allows the agency access to a readily available pool of applicants typically for high population, high turnover positions that are critically needed for the agency's operation.

  With the continuous recruitment option, agencies must establish a time period for applications to remain active for the jobs in which the continuous recruitment period applies and must notify applicants accordingly. All applicants with active applications must be considered for each opening. Agencies may terminate continuous recruitment at any time. However, applicants with active applications must be notified.

  Examples of recruitment difficulties that would warrant the use of continuous recruitment:
  - exceptionally high turnover rate;
  - jobs are critically important to the agency's mission and operations; or
  - jobs having a history of attracting limited numbers of qualified applicants.

Job-Specific Information for the Announcement

The content of the job announcement can take several different forms depending on the media used (flyer, RECRUIT, agency web site, web-based recruitment service providers, newspaper line or display ads.) The announcement should communicate to potential applicants essential information about the job in an appealing and compelling manner. It should relay to applicants the features and characteristics of the job and the agency that make it an "employer of choice". The content should include a <u>brief</u> explanation of the most important duties and responsibilities, the qualifications and other important aspects (e.g., mandatory overtime, shift work, travel). It is

important to note that this may be the first way an applicant becomes interested in a job or an employer.

Advertising Hiring Range

The Commonwealth's salary structure consists of nine broad ***pay bands***. The first eight bands have range spreads of approximately 105% between the minimum and maximum salaries. The ninth band (exclusively established for Mental Health physicians who serve as either Facility Directors or Medical Directors) does not have a specified maximum salary but is set to market.

Based on the broad pay bands, agencies have a great deal of flexibility in advertising hiring ranges for jobs. The Hiring Manager and the agency's Human Resource Office should come to consensus on the hiring range that is appropriate based on factors such as criticality of the job to the agency, available funding, and labor market conditions. There are several options for advertising salary ranges:

- No Salary, Hiring Range or Pay Band: This option is most commonly used in the private sector where salary information is proprietary. This option allows agencies to increase their applicant pools and keep their salary options open until the selection process.

- Entire Pay Band: This option may be used in instances where the agency wants to interview a wide array of skill levels from novice to expert for a particular job or when an agency wants to demonstrate salary growth potential. It may be phrased as "negotiable from $xxxxx to $xxxxx." Typically, this option is not widely used for advertising purposes.

- Hiring Range within a Pay Band: The agency advertises a segment of the pay band that reflects what the labor market is paying for similar jobs and what the agency is willing to pay the incumbent. This clearly communicates to potential applicants the range of pay the organization will consider offering for the job. This is the most widely used option. It may be phrased as "negotiable from $xxxxx to $xxxxx."

- Minimum Salary Only: This option tells the general public what the entry rate is for a particular job. This is typically used in entry level, high-population jobs that require minimum skills and work experience and where on-the-job training is typically provided.

- Maximum Salary Only: The agency is communicating to potential applicants the highest amount they are willing to pay as a starting salary. Using a statement such as "negotiable up to $xxxxx" may be useful when budget constraints set a cap on what the agency will be able to pay. This option may also be used when the agency has employees in similar jobs and internal equity is of concern.

Advertising Title

Agencies may use ***SOC Titles*** or develop ***Work Titles*** that functionally describe what a particular job entails. ***SOC Titles*** and/or ***Work Titles*** typically reflect common or widely recognized titles used in the labor market. Examples of ***Work Titles*** include Fiscal Assistant, Accountant, Corrections Lieutenant and Electrician. Additionally, the use of ***SOC*** and/or ***Work Titles*** is most effective when the agency wants to target its recruitment efforts to a specific applicant pool where certain levels of skill, work experience and credentials are required (e.g., Electrician).

Another option available to agencies is the use of ***Role Titles*** that encompass a broad array of similar positions that are reflective of different ranges of work within an occupational field. The ***Role Title*** gives potential applicants a general idea of the occupation being advertised. Examples of ***Role Titles*** include Administrative and Office Specialist II; Financial Specialist I; Security Manager I, and Trades Technician III.

If a ***Role Title*** is used exclusively, it is recommended that the content of the advertisement give more job-specific information. An agency may decide to use a ***Role Title*** if it is advertising a high population job (e.g., clerical) and wants to attract applicants with varying levels of work experience and expertise or when advertising only within the agency or Commonwealth where ***Role Titles*** may be more familiar.

THE SCREENING PROCESS

The purpose of the screening process is to eliminate obviously unqualified applicants and to identify promising candidates. One objective of screening is to select "out" (reject) those who are obviously unqualified for the job. This is usually done through a comparison of the application or resume to the selection criteria. If an applicant fails to meet the critical qualifications, then s/he is rejected. At times this might also include a short screening interview. A screening interview would last only five to fifteen minutes and focus on the technical criteria of the position.

NOTE: The Commonwealth's ***Layoff Policy #1.30*** requires that an employee who is laid off must be issued an Interagency Placement Screening Form ("yellow form") which grants preferential consideration for vacancies in any Executive Branch agency until s/he is placed on leave without pay-layoff status. Preferential consideration is given to the employee for any position for which s/he is "minimally qualified" in the same or lower pay band. After the employee is placed on a leave without pay-layoff status, a Preferential Hiring card ("blue card") is issued and the employee is given an application for the voluntary Re-Employment Opportunity (RE-OP) Pool (see policy for details).

There are a variety of ways the Hiring Manager and/or the agency's Human Resource Office may screen job applicants. Screening applicants is not a "one size fits all" process. To determine the most effective screening approach to use with a particular job vacancy, consideration should be given to the criticality of the job; the degree of familiarity the screener has with the ***core responsibilities***; the number and range of applications/resumes received; and the timeframe in which the position must be filled.

Screening approaches can vary from simple qualified/non-qualified stacks, rating scales (e.g., minus sign (-) does not meet criteria, zero (0) meets criteria and plus sign (+) exceeds criteria); to complex rating scales/matrices based on applicants' knowledge, skills, abilities (KSAs) and work history; to telephone interviewing to pre-screen the interview pool, etc.). There are times when the screening process used can be as simple as qualified/not qualified (Licensed as a Registered Nurse in the State of Virginia) and other times when a more elaborate rating scale may be required. When the Hiring Manager or Human Resource Office develops the screening criteria using core responsibilities, KSAs and competencies, the following should be taken into consideration:

- the ***Employee Work Profile***;
- the ***agency business needs*** (organizational unit or agency)
- the appropriateness for the level of the position;
- specificity of requirements (should be generic enough to not exclude outside candidates);
- education requirements (should not be based exclusively on college degree, but allow for the equivalent in comparable experience to substitute for degree); and
- required experience (should not be based on a number of years).

Screening must be done according to the qualifications and/or competencies established for the position and must be applied consistently to all applicants. The Hiring Manager must take actions consistent with the agency's equal employment opportunity programs and objectives and must ensure that the hiring procedures are consistent with all relevant state and federal employment laws (See ***Chapter 15, Legal Issues***).

THE INTERVIEW PROCESS

The interview process can vary considerably and is typically based on the culture of the agency and the preferences of the Hiring Manager. Interviews can be accomplished via the telephone; in a one-on-one/face-to-face meeting or in a panel/group interview session. Whatever interview method is selected, agencies are responsible for providing training, instruction and guidelines in lawful selection and employment practices to all employees who participate in the interview process.

A set of interview questions should be developed in advance and asked of each applicant and their responses must be documented. Determine the qualities that are most important for someone in the position and design questions that can assess whether a candidate possesses them. The questions should be job-related and should elicit information related to the applicant's knowledge, skills and past work experience. The participants in the interview process should have a clear understanding of the ***core responsibilities***, KSAs required of the job, and competencies that lead to success, and know when to ask additional questions to clarify information provided by the applicant.

Interview Packet

It is helpful for the hiring manager to have an interview packet that includes all of the relevant information needed for the interview process. The Interview Packet may include the following:

- interview schedule;
- job announcement;
- ***Employee Work Profile***;
- interview questions and evaluation worksheets; and
- copies of the interviewees' State Application Form(s) or resumes.

Interviewing Formats

Interviews can take several forms. Some are listed below.

- Telephone interviews,
- Video interviews,
- One-on-one interviewing,
- Interview panels,
- Round robins, and
- Peer interviews.

The form of interview used is dependent on a variety of factors, including the number of stages in the selection process used for a particular vacancy, organizational culture, and equal employment and diversity issues.

There are a variety of different interviewing questions that can be used as listed below.

- background questions,
- traditional interview questions,
- knowledge-based questions,
- case/scenarios and "what if" questions,
- questions about specific job requirements, and
- behavioral interview questions.

For a further discussion of each type of interviewing questions, refer to ***Appendix O – Recruitment and Employment Guidelines***.

During the interview process, certain types of information should not be solicited. This information may not be verified or solicited when conducting a reference check. Unacceptable information to ask about during the interview process or in a reference check includes:

- age
- national origin/ancestry
- race
- sex
- religion or creed
- marital status
- titles such as Miss, Ms., Mrs. or documentation of maiden name
- photographs

REFERENCE CHECKS

Reference checks are critical to the recruitment process since this is the last opportunity for a hiring manager to assess and validate the candidate's job-related qualifications, performance, and shortcomings, as well as the information noted on the application, resume, or disclosed in an interview. Reference checks can provide important new information and/or confirm information obtained through the application review and interview processes.

The extent of the reference check depends on the nature of the position and the liability and impact an incumbent in the position would have on the agency. An agency's potential liability for employees' acts makes it imperative to have the most comprehensive information available regarding past work performance (vicarious liabilty).

There are various types of reference checks that are available to agencies and depending on the nature of the position, agencies should conduct all reference checks that are relevant. The different types of reference checks include the following (this list is not meant to be all inclusive):

- confirmation of work experience, education, training, certification and/or licensure;
- confirmation of military history and discharge status;
- domestic violence convictions (precludes individual from carrying a firearem);
- Child Abuse and Neglect Central Registry;

- credit check;
- complete background investigation;
- driving record check; and
- Criminal Record Checks (not arrest records) - The State application requires that candidates disclose any previous criminal convictions including traffic violations. Failure to disclose conviction information may be reason to disqualify an applicant for falsification of their application. Convictions disclosed on the application may not be used to influence the selection process if they are not related to the duties of the position. Generally, a conviction will be a factor in the selection process only if the offense is related to the duties of the position.

Agencies conducting credit checks or criminal background investigations should review the Fair Credit Reporting Act for compliance requirements.

Agencies are strongly encouraged to conduct thorough reference checks on all candidates who are being considered for employment. Each agency needs to determine which jobs and under what circumstances the checks above are relevant. Hiring Managers or Human Resource Offices that do not check an applicant's reference may be accused of negligent hiring practices. See "**Legal Considerations**" below.

Prior to checking references, the Hiring Manager or the agency's Human Resource Office should verify that the applicant signed the section of the State application consenting to verify employment information and check references. Some organizations refuse to provide information without a signed statement from the applicant. If this is required, provide them with a copy of the portion of the application that includes the applicant's signed release or use the release form provided in Policy 2.10, Hiring.

Under the ***Virginia Privacy Protection Act***, applicants are not allowed to examine reference data or recommendation letters gathered during the reference check. Such documents should be retained in a confidential file, not in the official personnel file. However, some information received through background checks that are regulated by the Fair Credit Reporting Act may be subject to release to the applicant.

At a minimum, the agency should contact the candidate's current/most recent employer/supervisor and at least one former employer/supervisor. Reference checks should attempt to obtain such information as the following:

- employment dates;
- position title and duties;
- beginning and ending salary;
- verification of training completed;
- performance (work experience, KSA's, competencies);
- attendance and punctuality;
- eligibility for rehire; and
- verification of any required license, certification or degree (check the Code of Virginia and Administrative Code for requirements that apply to the agency).

Legal Considerations

Reference check information can serve as documentation to protect the agency if a negligent hiring case is brought against the agency. The key question in negligent hiring cases is "Did the employer use *reasonable care* to investigate the applicant's background before hire?" which means:

- "*Reasonable care*" depends on the industry or the job;
- whether or not the agency should have known foreseeable risk of harm; and
- whether or not the agency should have known and used available resources and/or information

Improper reference check practices can also provide the basis for discrimination claims. To minimize such allegations, the following guidelines should be used:

- check references of the top candidate(s);
- check work references only (preferably current or former supervisors);
- request information regarding job-related experience and behaviors only;
- document responses on a standard form to ensure consistency of information collected;
- do not document or use information that the employer volunteers that is not job-related and/or that relates to the candidate's personal life-style, nature of a disability and/or the candidate's medical condition; and
- reference checks may be obtained by telephone or in writing.

Agencies will also be called upon by other agencies and outside employers to give references on current or former employees. Agencies should consider

developing a reference check policy to indicate who can give references internally (Human Resources, agency supervisors, etc.). In addition, recuitment managers should be aware of the provisions of Section 8.01-46.1 of the Virginia Code, which provides immunity for those who give employment references in good faith.

While it is important to provide and receive candid and meaningful references, it is important to understand that giving negative references can result in litigation. The U.S. Supreme Court has ruled that actionable retaliation under Title VII is broad enough to include bad job references. Based on this decision, an employer may be liable under Title VII if a bad reference is given on an individual protected under Title VII, even if that individual no longer works for the employer providing the reference.

Filling Sensitive Positions

The Code of Virginia, § 2.2-1201.1, defines sensitive positions as those "directly responsible for the health, safety and welfare of the general populace or protection of critical infrastructures." When recruiting to fill a position designated as "sensitive" under the Code definition, an agency must take these steps:

- include in the posting announcement the information that a fingerprint-based criminal history check will be required of the final candidate;
- obtain a signed release form in addition to the state application form authorizing the agency to obtain the required information, including fingerprints;
- using fingerprint cards and procedures supplied by the Virginia Department of State Police (VSP), obtain two sets of fingerprints, and submit them as directed to VSP; and
- submit background information as requested to VSP.

In order to move the employment process forward, an agency may decide to make an offer contingent on acceptable results of the criminal history check. Some agencies may also permit the employee to begin work pending receipt of that report. The offer letter should make clear the conditional nature of the offer, stating that the offer will be withdrawn if the criminal history report is unacceptable and, if the employee has started work, he or she will be terminated. Agencies opting to permit the employee to start work before receiving the report should ensure that close supervision is in place when the employee performs sensitive duties, or that the employee does not perform those portions of the job until an acceptable report is received.

It is important that criminal records be handled appropriately. FBI regulations require that once a criminal history report has served the purpose for which it was obtained, it must be destroyed by shredding or pulping. Criminal history reports should **not** be kept in an employee's personnel file.

Agencies should retain the criminal history report in a locked, separate file during the hiring process, destroy the report after a hiring decision is made, and retain a brief note regarding the outcome in a confidential portion of the recruitment file.

- For the applicant rejected because of background information, the note would say that this applicant was the preferred choice based on qualifications, interview, etc., but did not receive an offer (or had a conditional offer retracted) because of information obtained through a criminal records check.
- For the person hired, the note would say that as of mm/dd/yy, a criminal records check revealed no problem areas related to this employment.

Agencies may elect to keep a copy of this brief note also in a confidential section of the personnel file.

See Policy 2,10, Hiring, for additional information about filling sensitive positions.

SALARY NEGOTIATIONS

Starting Pay, Promotion, Voluntary Demotion, and Voluntary Transfer are negotiated processes between the selected candidate and the Hiring Manager and/or the agency's Human Resource Office. A combination of ***pay factors*** and related questions should be considered when making pay decisions. The most relevant ***pay factors*** and common questions that should be answered when making starting pay decisions include the following:

- **Agency Business Need:** The significance and impact of the position on the organizational unit and agency.
  - What is the most valuable contribution this position/candidate will make in helping the organizational unit meet the agency's mission and goals?
  - What would be the organizational consequence if this candidate is not hired? How significant is the consequence to the overall operations of the agency?

- **Budget Implications:** The amount of financial resources allocated to fund the position and the short- and long-term financial consequences of a particular starting pay decision.
  - How much has been budgeted for this position?
  - If the starting pay for this candidate is higher than what has been budgeted, how will the difference be funded this year and in subsequent years?

- **Salary Reference Data:** A composite of salary information collected which reports the prevailing salary/wage for the surveyed position.
  - What specific survey data was considered in making the starting pay decision?
  - How competitive do you feel you must be to hire and retain a qualified candidate in this position?

- **Market Availability:** The availability of suitable, qualified applicants in the general labor market, which is subject to the effects of supply and demand.
  - How long has this position been vacant? How long have you been recruiting for the position?
  - Besides RECRUIT, what were the different recruitment strategies used?

- **Work Experience and Education; Knowledge, Skills, Abilities and Competencies; and Training, Certification and License:** The applicant's relevant employment history and qualifications that are related to the job.
  - How readily available are the qualifications you are looking for in the marketplace?
  - Are there unique qualifications the candidate possesses that may enhance the organizational unit's ability to meet the agency's mission and goals?

- **Internal Salary Alignment:** The proximity of salaries to each other for employees having similar levels of duties and responsibililties, comparable levels of training and experience and similar KSAs.
  - How do the candidate's qualifications rank among current, comparable employees?

- **Current Salary:** The applicant's base pay compensation (excludes supplemental pay such as overtime, shift differential, call pay, etc.)
  - Is the candidate's current job (current salary) relevant and related to the job s/he has applied for?
  - Is the candidate's <u>related</u> job exempt or non-exempt (may be eligible or ineligible for overtime pay)?

- **Total Compensation:** The total value of the applicant's cash compensation (e.g., base pay, overtime, shift differential, bonuses) and the estimated dollar value of the employer-sponsored benefit package.
  - Are there additional benefits and/or compensation (e.g., paid leave, retirement program, overtime pay, shift differential) that the candidate will be receiving with the State benefit package?
  - Does the agency offer additional benefits such as professional development, tuition reimbursement, work life resources and discounts that may be attractive to the candidate?

The combination of factors considered in starting pay decisions will vary based on the individual circumstances of the hiring decision. It is important to note that no one factor should be used exclusively to determine starting pay (e.g., applicant's current salary). Additionally, starting pay should not be perceived as a fixed amount (e.g., 10% above the candidate's current salary). There will be situations where the negotiated salary is less than, the same as, or more than the candidate's current or most relevant salary.

The Commonwealth's Compensation Management System has additionally adopted a number of non-base pay options (***Exceptional Incentive Options***) that can be exclusively used for positions, ***Roles*** or ***Career Groups*** that have a major impact on the agency's mission and operations and where there are significant recruitment and retention issues (see ***Appendix I – Exceptional Recruitment and Retention Incentive Options***). Typically, these options follow labor market practices in industries where the Commonwealth competes for employees.

It is important to recognize that when supply for specific types of employees is extremely low and demand is very high, these options will place the agency in a more favorable position to recruit and retain qualified employees in agency-critical positions. The ***Exceptional Incentive Options*** include sign-on bonuses; retention bonuses; project-based incentives; compensatory leave; additional annual leave; and an employee referral option. The use of these incentives must be coordinated with the agency's Cabinet Secretary and the Department of Human Resource Management must be notified.

WRITTEN COMMUNICATION TO APPLICANTS

It is important in a competitive labor market to maintain communications with potential applicants. Timely and appropriate communication gives applicants a positive impression of the agency and strengthens the image that the Commonwealth

is an "employer of choice." See ***Appendix O – Recruitment and Employment Guidelines*** for examples of various types of written recruitment and employment communications.

DOCUMENTATION AND RECORD RETENTION

The recruitment and selection process is closely monitored by state and federal agencies, such as Equal Employment Opportunity Commission, the Department of Justice, etc. Therefore, it is critical that the recruitment and selection processes within the Commonwealth's agencies and universities reflect a fair and balanced approach. The Commonwealth is committed to practices that do not discriminate on the basis of race, color, national origin, religion, gender, age or disability (in compliance with the Americans With Disabilities Act).

At the close of the recruitment and selection process, certain interview and selection documents must be retained for a period of at least three years from the date the vacant position is filled. These documents will protect agencies against allegations of employment discrimination and may include the following:

- copies of advertisements (RECRUIT submissions, web postings, newspaper advertisement, etc.);
- employment applications and/or resumes (all original applications submitted);
- race, gender and veterans' status data on all applicants, if known;
- screening and selection criteria applied to each applicant;
- interview questions and notes on the applicants' responses;
- reference checks (maintain in a separate confidential file);
- record of the disposition of each applicant (e.g., reason for non-selection: not qualified, withdrew or declined interview, could not contact, poor references; or hired); and
- rejection letters.

THE EMPLOYMENT PROCESS

The Employment Process encompasses a number of employment activities and requires that certain information be reviewed and verified. These employment activities range from State and Federal required employment verifications to the employee's orientation to the agency.

Immigration Reform and Control Act

Agencies are required to verify the employment eligibility status of all candidates hired according to the Immigration Reform and Control Act of 1986. An I-9 Form must be completed by all new employees within three days of hire. For instructions, refer to the U. S. Bureau of Citizenship and Immigration Services website http://www.bcis.gov/graphics/index.htm and then enter "Immigration Forms On-Line."

Selective Service

All male applicants who apply for State positions must indicate on the State application whether they have registered for the Selective Service, pursuant to Section 2.1-32.1 of the Code of Virginia. The Commonwealth cannot hire a male applicant who has not complied with this requirement to register. (NOTE: There are situations where applicants may not be required to register. If an applicant was not required to register, or if his requirement to register has "terminated or become inapplicable," the applicant must verify this with information from the Selective Service System before he can be employed. If the applicant did not register because he was unaware of his obligation, he must prove to the Selective Service System that it was not a knowing and willful failure to register, and have this documented by Selective Service before he can be hired.

Child Support Inquiries

To comply with section 20-79 and 63.1-250 of the Code of Virginia, agencies are required to ask new employees to disclose whether they have income withholding orders to pay child support. If a new employee discloses such an order, then the agency must report to the Department of Social Services and begin withholding according to the terms of the order.

Drug and Alcohol Testing

The Commonwealth of Virginia has a vital interest in providing a safe environment for its employees and the general public. Therefore, the Commonwealth has established a work environment free from the adverse effects of alcohol and other drugs (see the Department of Human Resource Management's ***Alcohol and Other Drug Policy #1.05***). This policy provides a supportive process for intervention and rehabilitation while also protecting the work environment and the general public.

This policy further authorizes agencies to implement supplemental alcohol and drug policies that are needed to either comply with Federal or State laws or for high-risk and safety-sensitive jobs that have greater impact on the general public. These supplemental alcohol and drug policies allow for pre-placement, random or for-cause testing for alcohol and drugs. Agencies must review the functions and responsibilities of their positions and identify positions involving substantial risk of injury in the performance of job duties (e.g., patient care, police and security, maintenance of hazardous facilities, etc.). For the employment process, candidates (or a position) that has been identified in the agency's supplemental alcohol and drug policy will be required to successfully pass a pre-employment drug test.

Domestic Violence Convictions

Candidates hired in positions that require them to carry a firearm or ammunition (e.g., Corrections, State Police, etc.) can not have a misdemeanor conviction of domestic violence or any felony conviction. Agencies must conduct a Criminal Background Check to ensure that the candidate has no previous domestic violence conviction before s/he is employed in any position that requires or authorizes carrying a firearm. This requirement is pursuant to the United State Code, Title 18, section 922(g)(9).

Orientation

A comprehensive orientation provides new employees with information that will allow them to transition into the workplace and provides an overview of the department and the agency as a whole. Orientation is important because it lays the foundation for the employee's entire career with an agency.

Employee orientation should be viewed more as a "process" than a "program" and generally should include different components (agency-wide vs. departmental aspects). Some aspects of orientation are more effectively delivered by human resources professionals rather than by the hiring manager. An effective orientation promotes communication between the supervisor and the new employee, as well as providing the new employee with information and confidence that allows him/her to successfully adapt to the new environment.

Employee orientation should focus more on the employee and less on the paperwork. The goal is to make the orientation experience enjoyable and memorable for the new employee. Agencies should encourage involvement from top administrators, department heads, managers, immediate supervisors and peers. The

length of an employee's orientation may vary from a minimum 2 – 3 hours up to a week or more. Recommended topics to cover during orientation include:

- history, mission, and goals of the department and the agency;
- ***Employee Work Profile*** (formerly position description, including core responsibilities and performance measures);
- career development;
- safety and security precautions;
- department and agency norms (work schedule, dress code, office layout, etc.); and
- benefits and other personnel policies.

All new employees need to receive agency-wide information. Agency-wide information is probably presented more efficiently and effectively through a centralized effort. A Human Resource professional should handle information regarding the agency's history, mission, policies, procedures, and the completion of payroll and benefits paperwork.

Details and issues specific to a department should be provided at the departmental level and would include items such as a review of the ***Employee Work Profile*** and performance expectations; departmental policies, procedures and practices, etc. See ***Appendix O, Recruitment and Employment Guidelines*** for an example of a departmental orientation checklist.

CHAPTER 12

REWARDS & RECOGNITION

INTRODUCTION

Motivating employees by rewarding sustained performance is one of the four goals identified to support and operationalize the Commonwealth's compensation philosophy. Often motivation can be achieved and enhanced through recognition. Employee rewards and recognition programs are designed to acknowledge employees' contributions to the overall objectives of the agency and the Commonwealth. These recognition programs must be designed to support the mission and goals of the specific agency and may vary in approach to include planned or impromptu types of recognition.

Agencies must develop the following recognition programs: ***Awards for Length of Service (Policy # 1.10)***, ***Employee Suggestion Program (Policy # 1.21)***and ***Employee Recognition Program (Policy # 1.20)***. All monetary recognition awards are in the form of a bonus and are not included in base pay. For discussion of other non-base awards, see In-Band Bonus discussed in the Chapter 8 - Pay Practices and Exceptional Recruitment and Incentive Options outlined in Appendix I.

MONETARY AND NON-MONETARY AWARDS

The level of an employee's contribution to the work unit, agency, and/or the Commonwealth should be considered when determining the award to be provided to the employee. Recognition awards may be in the form of monetary and non-monetary items. Monetary awards are those paid by any negotiable instrument such as cash, check, money order, and direct deposit. This type of award also includes any item that can be readily converted to cash such as savings bonds or refundable gift certificates. Non-monetary awards include items such as non-refundable gift certificates, meals, trips, plaques, clothing, or other similar items.

TYPES OF EMPLOYEE RECOGNITION PROGRAMS

The three types of employee recognition programs support and enhance the Commonwealth's Compensation Management System. Each of these programs are independent of one another.

- **Awards for Length of Service**

The Commonwealth's ***Award for Length of Service*** program provides employees non-monetary recognition for years of service with the Commonwealth. Awards are based on length of service in five-year increments.

- **Employee Suggestion Program**

Employee Suggestion Programs give agencies a mechanism for recognizing employees for adopted ideas that improve their agencies' and the Commonwealth's operations. Awards may be monetary, non-monetary, and leave. A percentage of the savings generated for the agency and/or the Commonwealth is used to determine the amount of the monetary or leave award.

- **Employee Recognition Program**

Employee Recognition Programs are designed to encourage employees to make a performance difference either individually or through teams. These awards recognize achievements or accomplishments that contribute to the overall objectives of the agency and state government. The criteria for such awards are different from and cannot overlap with the criteria of In-Band Adjustments or In-Band Bonuses described in Chapter 8 Pay Practices.

Agencies must develop an ***Employee Recognition Program*** that provides monetary and non-monetary recognition awards for employees. The total of monetary and non-monetary awards (excluding recognition leave) shall not exceed one thousand dollars ($1,000.00) per employee per fiscal year. In addition, recognition leave of up to five workdays may be awarded to an employee in a leave year. Recognition leave lapses within twelve months from the date it is awarded. Agencies may extend the twelve-month retention period for recognition leave if the agency has been unable to allow the employee to use the leave or may pay out the leave in accordance with the situations specified in the policy.

A handbook has been developed to assist agencies in developing an ***Employee Recognition Program***.

TAX IMPLICATIONS

All monetary awards, regardless of the amount, are considered income for the employee and taxed accordingly. Any recognition leave paid to the employee is

considered income and must also be taxed. Agencies shall be responsible for determining whether or not non-monetary awards are taxable, in accordance with Department of Accounts guidelines and Internal Revenue Service tax regulations. There will be no tax on any non-monetary award that is determined de minimus by the agency

CHAPTER 13

PERFORMANCE MANAGEMENT

INTRODUCTION

The Commonwealth's ***Performance Management Program*** is an integral part of the Compensation Management System. Therefore, this component shares the same overall goals, which are as follows:

- To attract qualified employees.
- To retain qualified employees.
- To motivate employees by rewarding sustained performance.
- To support management in the realization of organization objectives.

The ***Performance Management Program*** has been designed to encourage career development to enhance the Commonwealth's workforce and to financially reward employees' performance. The Commonwealth's annual performance cycle is October 25th to October 24th of the following year with the applicable pay out of performance increases effective November 25th. Employee performance will be a key determinant in how pay will be administered not only in the ***Performance Management Program*** but also with the Commonwealth's ***Pay Practices*** (see Chapter 8 – Pay Practices).

The Commonwealth's performance management philosophy is to reward employees for their work contributions in a fair and equitable manner. The performance management philosophy was developed based on the following underlying principles:

- To identify individual and/or team objectives and measures linked to the agency's mission and strategic objectives.
- To promote employee and career development through creating an environment of learning and quality improvement through training, coaching, counseling and mentoring.
- To provide open and honest periodic evaluations of employee's performance.

- To administer financial rewards based on distinctions in performance with the highest level of award directed to "***Extraordinary Contributor***" and a lesser amount directed to "***Contributor***".

Key design features of the Commonwealth's ***Performance Management Program*** include 3 performance rating levels; a 12-month probationary period for new employees; an opportunity for employee self-evaluation, and movement toward employee feedback on supervisors' performance for development purposes. Additionally, the ***Performance Management Program*** provides flexibility and allows agencies to design optional features to effectively meet their agencies' needs. Agencies may develop their own performance evaluation systems using the 3 performance ratings. Options may include group or team performance evaluations, numeric weighting systems and performance measures based on organizational objectives.

The ***Performance Management Program*** has intentionally been designed to allow agencies a great deal of flexibility in planning their performance management systems to meet their unique organizational needs. Therefore, agency management will need to make a number of decisions prior to implementing their ***Performance Management Program***. The agency will need to describe the design and the implementation strategy of their ***Performance Management Program*** in their ***Agency Salary Administration Plan*** (see Appendix A, Agency Salary Administration Plan Guidelines).

Performance Ratings

It is important to emphasize that evaluation of employee's performance should be done on a continuous basis by providing verbal and/or written feedback throughout the performance cycle. The Commonwealth's ***Performance Management Program*** has 3 performance ratings that are (1) used to rate performance on individual measures; and (2) are the composite rating for an employee's overall performance. These ratings are described below.

- **Extraordinary Contributor**: This rating recognizes work that is characterized by exemplary accomplishments throughout the performance cycle and performance that considerably and consistently surpasses the criteria of the job function. To be eligible to receive an overall rating of

Extraordinary Contributor, an employee must receive at least one documented ***Acknowledgment of Extraordinary Contribution*** form during the rating cycle. However, the receipt of this form does not guarantee or necessarily warrant an overall annual rating of ***Extraordinary Contributor***.

- **Contributor Rating**: This rating recognizes work that is at or above the performance standards by achieving the criteria of the job function throughout the performance cycle. Employees at this level are achieving the ***core responsibilities*** and performance measures as outlined by the supervisor.

- **Below Contributor**: This rating recognizes job performance that fails to meet the criteria of the job function. An employee who receives at least one ***Need Improvement/Substandard Performance*** form may receive an overall rating of ***Below Contributor*** on the annual rating. An employee cannot be rated ***Below Contributor*** on the annual evaluation if he or she has not received at least one ***Need Improvement/Substandard Performance*** form during the performance cycle.

PROBATIONARY PERIOD

The Commonwealth requires a ***Probationary Period*** for all full-time, part-time and restricted classified employees. Employees who are employed or re-employed in classified positions must serve a 12-month ***Probationary Period*** beginning on the date of employment. If an agency determines at any time during the ***Probationary Period*** that an employee is not suited for the job, the employee may be terminated or allowed to resign.

Human Resource Policies Related to Probationary Employees

Probationary employees are not covered or subject to provisions under a number of the Commonwealth's Human Resource policies. The following is a listing of these policies:

- **Standards of Conduct:** Supervisors may not apply the Standard of Conduct Policy to probationary employees. Notices of termination should be issued in the form of a memorandum and not by a Written Notice Form under the Standards of Conduct. The memorandum should state that the employee is being terminated due to unsatisfactory performance or has elected to resign during the probationary period.

- **Grievance Procedure:** Probationary employees do not have access to the Commonwealth's Grievance Procedure.

Extension of Probationary Period

The ***Probationary Period*** may be extended for up to 6 additional months beyond the initial 12 months for performance reasons or due to periods of leave with or without pay. However, the total ***Probationary Period*** may not exceed 18 months, excluding periods of leave with or without pay. ***Probationary Periods*** must be extended when employees are on leave with or without pay, including short-term disability (Virginia Sickness and Disability Program-VSDP), Military Leave and Leave Without Pay-Layoff. Employees must be notified in writing if their probationary period will be extended for performance reasons or due to leave.

The extension of the ***Probationary Period*** must be documented on a ***Probationary Progress Review Form*** (see Appendix E, Form #1) or a similar agency-developed form and must be approved by the supervisor of the evaluator. The ***Probationary Progress Review Form*** must provide information to the employee about the performance deficiencies, expected level of performance and the amount of time the ***Probationary Period*** is extended. A copy of the completed ***Probationary Progress Review Form*** must be given to the employee.

When a probationary employee is placed in a different position during the first 6 months of probation, the remainder of the 12-month probationary requirement must be completed. Additionally, the supervisor may elect to extend the ***Probationary Period*** not to exceed a total of 18 months. If an employee moves or is placed in a new position during the last 6 months of his or her probationary period, the employee's must complete the remainder of the 12-month probationary requirement or the ***Probationary Period*** may be extended no more than 18 months. In both cases, the employee must be notified in writing if the ***Probationary Period*** is to be extended.

Probationary Progress Reviews/Documentation

Within the first 30 days of employment, the supervisor should establish performance expectations for the new employee. Supervisors are encouraged to use this as an opportunity to discuss with the incumbent the position's responsibilities, expected job performance and clarify any aspects of the job.

It is recommended that the supervisor evaluate and provide structured feedback periodically to the new employee during the ***Probationary Period***. An interim ***Probationary Progress Review Form*** or similar form may be completed at any time during the ***Probationary Period*** to document the employee's progress and to provide feedback to the employee about their performance.

It is recommended that supervisors meet with the probationary employee at 6 months to advise them of their progress toward meeting established performance expectations. However, the supervisor should meet with the probationary employee prior to the completion of the ***Probationary Period*** and provide the employee a written assessment using the ***Probationary Progress Review Form***. A decline in performance or unsatisfactory performance following the completion of an interim review during the ***Probationary Period*** may be the basis for termination.

The supervisor should notify the employee in writing when the 12-month ***Probationary Period*** has been satisfactorily completed. If a probationary employee is not notified of satisfactory completion or extension of the ***Probationary Period*** at the end of 12 months, it is understood that the employee successfully completed the probationary requirement.

Performance Increases for Probationary Employees

Probationary employees are not eligible for an increase that recognizes the completion of their probationary period. However, agencies have the option to give a pro-rated November 25th performance increase to probationary employees that are hired after the beginning of the annual performance cycle (October 25th through October 24th of the following year).

If granted by the agency, performance increases for probationary employees will be based on the employee's hire date and overall performance rating of at least "***Contributor***" on their most recent ***Probationary Progress Review***. Employees rated "***Below Contributor***" will not be eligible for a performance increase. All performance increases are effective on November 25th.

The following outlines the requirements and options agencies have in evaluating and granting pro-rated performance increases to employees who have not completed a full performance cycle (hired or rehired after October 25th).

- Agencies are **required** to evaluate employees hired/rehired between the beginning of the performance cycle (October 25th) and January 24th (1st quarter of the performance year). If these employees are rated ***Contributor*** or ***Extraordinary Contributor***, they will be eligibility to receive a performance increase on November 25th of 100% of the established rate for the appropriate rating.

- Agencies are **required** to evaluate employees hired/rehired between January 25th and July 24th (2nd and 3rd quarter of the performance year). The highest performance rating an employee can receive if hired during this period is ***Contributor***. It is **optional** whether an agency gives pro-rated performance increases to employees hired between these dates. If the agency determines that a pro-rated performance increase will be awarded, the increase will be 75% of the established rate for employees hired during the 2nd quarter of the performance year (January 25th through April 24th) and 50% of the established rate if hired during the 3rd quarter of the performance year (April 25th through July 24th).

- It is **optional** whether agencies evaluate and/or grant pro-rated performance increases to employees hired during the 4th quarter of the performance year (July 25th and October 24th). The highest rating an employee hired during this period of time can receive is ***Contributor***. If a pro-rated performance increase were granted, it would be 25% of the established rate for the ***Contributor*** rating.

The following chart depicts the range of hire dates, evaluation and pro-rated increase requirements/options and the percentage increase options for probationary employees that have not completed an entire performance cycle.

Hire/Rehire Date	Probationary Progress Review	Pro-rated Performance Increase	Options for Percentage Increase Based on Established Rate
October 25th–January 24th	Required	Required	100% rate for "Contributor" or "Extraordinary Contributor"
January 25th–April 24th	Required	Optional	0% or 75% of rate for "Contributor"
April 25th–July 24th	Required	Optional	0% or 50% of rate for "Contributor"
July 25th–October 24th	Optional	Optional	0% or 25% of rate for "Contributor"

PREFORMANCE MANAGEMENT PROCESS

I. Development of Employee Work Profile/Performance Plan

The Commonwealth's ***Performance Management Program*** is designed to be flexible and allow agencies to design optional features that more appropriately address their specific organizational needs. It is recommended that agencies use a combination form similar to the sample Employee Work Profile (see Appendix E). However, agencies may design and use form(s) that meet their unique needs as long as each employee has a work description with the required position identification information and a performance plan (see Appendix E – Guide for Designing an Employee Work Profile). The work description must be sufficient enough to assign a position to the proper Role, determine the Fair Labor Standards Act (FLSA) status and provide the basis for the performance evaluation.

Additionally, agencies have the flexibility to design their own performance evaluation system. However, agencies must be able to convert their performance rating scheme back to the Commonwealth's 3 designated ratings (e.g. ***Extraordinary Contributor, Contributor, Below Contributor***). Options may include group or team performance evaluations, numeric weighting systems and performance measures based on organizational objectives.

II. Performance Planning Meeting

Generally, a supervisor should schedule a ***Performance Planning Meeting*** with the employee within 30 days from the beginning of each performance cycle. At this meeting, the employee and supervisor should review the ***core responsibilities*** and ***special assignments*** from the previous cycle and update them for the new cycle. If the employee is new, the position changes or had significant changes to the ***core responsibilities***, the supervisor and employee should meet to discuss these changes within 30 days of the employee's begin date or date of the job changes.

III. Information Gathering for the Performance Evaluation

In order for performance evaluations to be effective and reflect the actual performance of the employee, it is imperative to collect and document

information on a continuous basis. Supervisors should use a variety of sources when gathering evaluation information.

Sources may include direct observation of employee behaviors and work products by the supervisor and information solicited from peers, customers, subordinates, and other supervisors who interact and work with the employee. The information is most relevant and valuable when these additional sources possess a clear understanding of the employee's ***core responsibilities***. Employees should be informed that potential sources may be used in the evaluation process at the beginning of the performance cycle.

Additionally, a valuable source of information for performance evaluations can be obtained from the employee themselves. The Commonwealth's ***Performance Management Program*** encourages employees to actively participate in the performance evaluation process. Therefore, each employee must be afforded the opportunity to provide their supervisor with a self-assessment (employee self-evaluation) of their performance for the rating period. The supervisor must review and consider the self-assessment when completing the employee's performance evaluation.

Another source of information that is particularly valuable for a management development purpose is employee feedback on their supervisor's performance commonly referred to as ***upward feedback***. Initially, employees feedback will be used for development purposes to assist supervisors in improving their supervisory and management skills. As agencies gain experience in the use of ***upward feedback***, the results may be used for evaluative purposes.

IV. Feedback During the Performance Evaluation Cycle

Supervisors should mentor, coach and reinforce progress toward expected results and outcomes and address areas of concern as they arise. Effective management of performance involves providing continuous formal (written documentation) and/or informal (verbal) feedback to employees throughout the entire performance cycle. Formal feedback may be accomplished through ***Interim Performance Evaluations*** or written notification for exemplary accomplishments or substandard performance.

- **Interim Performance Evaluations**

An ***Interim Performance Evaluation*** provides an opportunity to give structured feedback to employees on their progress toward meeting performance expectations as well as identify any personal developmental needs during the evaluation cycle. ***Interim Performance Evaluations*** may be conducted at any time during the performance cycle to advise an employee of their progress towards meeting performance measures or to document performance problems. However, it is recommended that all non-probationary employees receive an ***Interim Performance Evaluation*** near the middle of the performance cycle.

Agencies may use the ***Interim Performance Evaluation*** form (see Appendix E, Form #4), the ***Employee Work Profile*** or a similar agency-developed form for this purpose. The completed ***Interim Performance Evaluation*** should be maintained in the supervisor's file. If the ***Employee Work Profile*** is used, it should be clearly marked "Interim".

If the employee's supervisor leaves during the performance cycle, he/she should complete an ***Interim Performance Evaluation*** at that juncture. This is helpful to the incoming supervisor to assist in the evaluation of the employee at the end of the performance cycle. The new supervisor should review the performance expectations, make any necessary modifications and incorporate the former supervisor's assessment in the overall evaluation at the end of the performance cycle.

An ***Interim Performance Evaluation*** should be completed if, after 6 months into the performance cycle, an employee transfers, promotes or demotes into a new position with a different supervisor within an agency or between state agencies in the Executive Branch. The supervisor prior to the employee's departure from the position should complete the ***Interim Performance Evaluation***. The employee's new supervisor should consider this information in assessing the employee's performance at the end of the performance cycle.

- **Acknowledgment of Extraordinary Contribution/Substandard Performance**

Acknowledging an employee's performance in a timely manner will either reinforce exceptional behaviors or clarify specifically for the employee

that their performance is not acceptable and needs improvement. All performance, whether extraordinary, acceptable, or unacceptable should be acknowledged and recognized periodically during the performance cycle. However, for performance extremes (exemplary or substandard displays of performance) and employee should receive formal, written recognition immediately.

Supervisors are encouraged to formally recognize exemplary performance during the rating cycle by documenting the incident(s) on an ***Acknowledgment of Extraordinary Contribution*** form (see Appendix E, Form # 5) or similar form developed by the agency. ***Reviewers*** must sign these forms. It is important to differentiate between performance that is expected of the employee and performance that far exceeds supervisory expectations.

Employees must receive at least one documented ***Acknowledgment of Extraordinary Contribution*** form during the rating cycle to be eligible for this level rating on their annual evaluation. However, the receipt of an ***Acknowledgment of Extraordinary Contribution*** does not guarantee or necessarily warrant an overall annual rating of ***Extraordinary Contributor***.

Supervisor should immediately identify poor, substandard or unacceptable performance. Substandard performance on any ***core responsibility*** or ***special assignment*** may result in a ***Need Improvement/Substandard Performance*** form or similar form developed by the agency (see Appendix E, Form # 6). ***Reviewers*** must approve and sign these forms. An employee must receive at least one ***Need Improvement/Substandard Performance*** form to be eligible for an overall annual rating of ***Below Contributor***.

Issuing this form requires that the supervisor develop an improvement plan, with specific timelines, addressing the area(s) that require immediate attention. Input should be solicited from the employee in developing the improvement plan. A timeline for improvement must be established and must be at least 30 days and no more than 180 days. Based on the timeline established, the supervisor must re-assess the employee based on the performance improvement plan.

In addition to the ***Performance Management Program***, the Commonwealth's ***Standards of Conduct*** are also available to address employee performance and conduct. The concept of "progressive

discipline" can assist supervisors in working with employee in improving their performance. Supervisors would normally address first time minor or marginal performance issues through performance counseling and coaching. However, repeated and more serious performance or conduct issues may result in further disciplinary actions.

V. Completing the Performance Evaluation

- **Timelines for Performance Evaluations**

The supervisor must have performance evaluations finalized for employees that have completed a full 12-month performance cycle (October 25th through the next October 24th) by October 24th, but not before August 10th. In completing the performance evaluation and arriving at an overall performance rating, the supervisor should take into consideration how successful the employee was in meeting the criteria established by the performance measures and the length of time the employee performed in their job.

If an employee was absent from work for a significant portion of the performance year, the percentage increase may be impacted. Employee absences due to compensatory time, overtime leave, workers' compensation, military, Family and Medical Leave and Short Term Disability should not influence the employee's overall performance rating. However, the amount of time an employee is out of work may alter the percentage of increase they are eligible to receive as outlined below.

Portion of Performance Cycle Worked	Percentage Increase Based on Established Rate
Less than full but at least 9 months	100% of rate for Contributor or Extraordinary Contributor
At least 6 months but less than 9 months	75% of rate for Contributor
At least 3 months but less than 6 months	50% of rate for Contributor
Less than 3 months	25% of rate for Contributor

- **Reviewer Approval of the Performance Evaluation**

The ***reviewer's*** role is key in the performance evaluation process. The ***reviewer*** is responsible for reviewing the performance plan and evaluation before it is presented to the employee and providing the supervisor with appropriate feedback.

If the ***reviewer*** does not agree with the performance plan and/or the evaluation, the ***reviewer*** should discuss the areas of concern with the supervisor. ***Reviewers*** have the authority to change any part of the performance plan and/or evaluation based on their judgment about the employee's performance or the supervisory approach to the performance evaluation. Additionally, agencies may determine if higher levels of management may change the employee's evaluation.

- **Conducting the Evaluation (The Evaluation Meeting)**

The purpose of the ***evaluation meeting*** is to provide the supervisor and employee an opportunity to discuss job performance during the previous performance cycle and to plan for future performance objectives. The ***evaluation meeting*** requires careful planning and preparation on part of both the supervisor and employee. The supervisor should be prepared to discuss what input/feedback was considered in the employee's evaluation; the rationale for each of the individual and overall performance ratings; future performance expectations and employee development results.

If an employee disagrees with their performance evaluation, they should be given ample opportunity to explain their rationale. The supervisor may change any ratings that are warranted based on the information provided by the employee. If the supervisor decides to change a rating, the ***reviewer*** must be consulted before the change is made and must initial the change.

At the end of the ***evaluation meeting*** the employee should review the performance evaluation, write any comments and sign the form indicating that the results have been discussed. If the employee refuses to sign the evaluation, the supervisor should indicate this on the performance evaluation.

- **Re-evaluation Corrective Action Plan – Below Contributor Rating**

An employee who receives an overall performance rating of ***Below Contributor*** must have an action plan developed outlining the minimum performance expectations and be re-evaluated in 3 months. The action plan is developed by the supervisor, approved by the ***reviewer*** and

discussed with the employee within 10 workdays of the ***evaluation meeting***.

The agency may also access the Standards of Conduct Policy to address employee performance or utilize the ***Needs Improvement/Substandard Performance*** forms to document specific performance incidents or issues. At the conclusion of the re-evaluation period, if the employee's rating continues to be ***Below Contributor***, the supervisor has several options including demotion, reassignment, reduced duties or termination.

If the agency identifies another position within the 3-month period that is more suitable for the employee's level of performance, then the employee may be reassigned or demoted which will conclude the re-evaluation period. If this occurs, then the employee will not be eligible for a performance increase. With a demotion, the agency must reduce the employee's salary at least 5% since this constitutes a ***Disciplinary or Performance Salary Action*** (see Chapter 8 – Pay Practices).

As an alternative to reassignment or demotion, the agency may elect to maintain the employee in their position and eliminate the duties that the employee was unable to successfully fulfill. This reduction in duties must be accompanied by a concurrent salary reduction of at least 5% as outlined in the ***Disciplinary or Performance Salary Action*** (see Chapter 8 – Pay Practices).

If the agency determines that termination is the proper action based on the re-evaluation, then the employee will be terminated at the conclusion of the 3-month re-evaluation period.

VI. Appeals

When an employee disagrees with the evaluation and cannot resolve the disagreement with the supervisor, the employee may appeal to the ***reviewer*** for reconsideration. The employee must make this appeal in writing within 10 workdays of the initial ***evaluation meeting***. The ***reviewer*** should discuss the appeal with the supervisor and the employee.

After discussion of the appeal, the ***reviewer*** should provide the employee with a written response within 5 workdays of receipt. The response should indicate the ***reviewer's*** conclusion of the performance evaluation. In

addition, agencies may develop their own appeals process for the reconsideration of employee performance evaluations. The appeals process should be outlined in the ***Agency Salary Administration Plan*** (see Appendix A).

VII. Performance Evaluation Formula

The General Assembly and the Governor annually determine the statewide average performance increase for the Commonwealth's workforce. Agencies may not supplement the funding provided by the General Assembly and Governor for employee performance increases.

The agency may elect to distribute the performance increase based on the agency as a whole or proportion the increase based on designated ***sub-agencies***. A ***sub-agency*** is a designation an agency may use to sub-divide into smaller organizational units to fairly and equitable distribute performance increases based on available funding. This designation would normally occur at a level where the responsible manager exercises full authority over both personnel and budget management.

For employees that receive an overall performance rating of ***Contributor***, they must receive at least 80% of the statewide average increase. The actual increase may vary from one agency or sub-agency to another based on the formula used within these limits and the number of employees in the agency or sub-agency that are rated as ***Contributor***. Employees that are rated as ***Extraordinary Contributor*** must receive no more than 250% of the statewide average increase.

The actual increase may vary from one agency or sub-agency to another based on the formula used within these limits and the number of employees in the agency or sub-agency that are rated as ***Contributor***. All agencies or sub-agencies (within an agency) do not have to give the same percentage increase to employees rated as ***Contributors*** or ***Extraordinary Contributors***. However, employees that receive the same rating within the agency or sub-agency must receive the same performance increase amount.

CHAPTER 15

LEGAL ISSUES

INTRODUCTION

The purpose of this chapter is to provide a basic overview of the key federal and state laws and regulations that govern human resource management practices in the Commonwealth. As such, the chapter provides basic summary information that covers a broad spectrum of topics, including fair employment practices, salary and wage administration, and employee benefits, protections, and services. The Chapter is not intended to represent all relevant laws and regulations or to replace agency human resource management policies or policies promulgated by the Department of Human Resource Management (DHRM).

Generally, individual agencies are responsible for applying each of the laws, rules and regulations summarized below. Agencies are advised to contact central agencies, such as DHRM, Department of Accounts, the Department of Planning and Budget, Department of Employment Dispute Resolution and the Auditor of Public Accounts for assistance in specific areas. Where practicable and possible, the appropriate agency charged with enforcing the law or regulation is identified. In addition, agencies other than those identified in this document may become involved in cases of alleged violations. Federal agencies should not be contacted without first notifying the appropriate state agency. If there are questions about which agency to contact, DHRM can provide assistance or information.

This document does not intend to provide legal advice. Therefore, agency human resource personnel should contact the Office of the Attorney General for such advice. For information concerning the Commonwealth's policies, procedures, and the services available through DHRM, visit the website at http://www.dhrm.virginia.gov/.

FAIR EMPLOYMENT PRACTICES

Federal Laws, Regulations and Executive Orders

The Civil Rights Acts of the Reconstruction Era (Section 1981)

The Civil Rights Act of 1866 which evolved into 42 USCS Section 1981 (often referred to as Section 1981), was one of the earliest sections utilized by complainants alleging race discrimination to recover compensatory and punitive damages in state courts. The Civil Rights Act of 1991 specified that this statute cover all forms of racial bias in employment. It covers hiring, some promotion decisions, harassment on the job, benefits and conditions of employment; discriminatory firing and other post-hiring conduct by the employer.

The Civil Rights Act of 1964 (Title VI)

Title VI of the Civil Rights Act of 1964 provides that "no person . . . shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

The responsibility for enforcing Title VI rests with the Federal agency providing the assistance in conjunction with the U.S. Attorney General. Enforcement can take two forms. First, the Federal agency can terminate or refuse to make a grant to a recipient. Second, a case can be referred to the Justice Department for appropriate civil action.

The Civil Rights Act of 1964 (Title VII)

Title VII of the Civil Rights Act of 1964 (commonly referred to as "Title VII") is the broadest of the laws dealing with employment discrimination. It provides that unlawful employment practices by an employer include:

(1) Failure or refusal to hire an individual or to discharge or otherwise discriminate against an individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or

(2) Limiting, segregating, or classifying employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin.

When originally passed in 1964, it did not apply to state and local governments. The Equal Employment Opportunity Act of 1972, which became effective on March 24, 1972, extended coverage to both entities.

Not every employee of a covered employer is protected by of the Act. Persons elected to public office by qualified voters, persons chosen by such officers to be on the officer's personal staff, appointees on a policy making level and immediate advisors with respect to the exercise of the constitutional or legal powers of the office are exempt from the coverage of the Act. However, none of the individuals described above are exempt if they are subject to the civil service laws of a governmental agency.

The federal Equal Employment Opportunity Commission (EEOC) administers Title VII. The federal EEOC has regional and area offices all over the country. The EEOC also grants certain powers to state and municipal human rights commissions if their enforcement practices meet the EEOC's standards. The Virginia Council on Human Rights has been authorized to enforce EEOC's standards in the private sector and in the public sector where no other enforcement agency has authority to do so. DHRM's Office of Equal Employment Services enforces EEOC's standards in the Executive Branch. The EEOC is empowered to investigate complaints from employees and job applicants, to work out solutions to those complaints with the employer, and to prosecute suspected offenders in federal court.

Sexual Harassment Under Title VII

The EEOC broadly defines sexual harassment as any "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature to include offensive language, jokes and sexual innuendoes." Sexual harassment claims fall in two categories: quid pro quo and hostile work environment.

Quid pro quo sexual harassment exists when the submission to or rejection of sexual conduct (sexual advances, requests for sexual favors, and other verbal and physical conduct of a sexual nature) is used as a basis for making employment decisions that affect the victim. Only supervisors or members of management who

have the authority to affect an employee's working conditions can engage in quid pro quo sexual harassment.

Sexual conduct that interferes with an employee's performance or creates an intimidating or offensive work environment is characterized as sexual harassment that creates a "hostile work environment." Managers, supervisors, co-workers, or even non-employees can create a hostile work environment.

Sexual conduct becomes unlawful only when it is unwelcome. It is considered unwelcome if the employee did not solicit or incite it. It is considered unlawful if the employee regards the conduct as undesirable or offensive. It is important to understand that sexual harassment is not limited to female victims; rather, males may be victims and same-sex harassment may occur.

In the case of quid pro quo sexual harassment, the employer will be guilty of vicarious liability. That is, an employer automatically is liable for the wrongdoing of its employees, regardless of fault. If a manager or supervisor engages in quid pro quo sexual harassment, the employer automatically is liable for the harassment.

If an employee is victimized by the hostile work environment form of sexual harassment, the employer may escape liability if it can prove that: (1) reasonable care was exercised to prevent and to correct promptly any sexually harassing behavior and (2) the victim unreasonably failed to take advantage of any preventive or corrective opportunity provided by the employer or to avoid harm.

It is important to note that the courts and the EEOC are applying this "employer liability" to other forms of unlawful harassment recognized under Title VII, such as harassment based on the victim's age, race, national origin, religion or disability.

Religious Discrimination Provisions of Title VII

Title VII of the Civil Rights Act of 1964 also prohibits religious discrimination. Moreover, employers are under the affirmative obligation to accommodate reasonably the religious beliefs of their employees except when doing so would result in undue hardship to the organization. This usually is difficult to demonstrate; however, permitting employees to exchange or trade days off with co-workers or to use annual leave to observe their holidays usually avoids the problem. The federal EEOC administers this Act.

The Civil Rights Act of 1991

The Civil Rights Act of 1991 amends Title VII of the 1964 Civil Rights Act. The federal EEOC administers this Act. The purposes of this Act are to:

- Provide appropriate remedies for intentional discrimination and unlawful harassment in the workplace;
- Codify the concepts of "business necessity" and "job related" as enunciated by the Supreme Court in *Griggs v. Duke Power Co.*, and in other Supreme Court decisions prior to *Wards Cove Packing Co. v. Atonio*;
- Confirm statutory authority and provide statutory guidelines for the adjudication of disparate impact suits under Title VII of the Civil Rights Act of 1964; and
- Respond to recent decisions by the Supreme Court by expanding the scope of relevant civil rights statutes in order to provide adequate protection to victims of illegal acts of discrimination.

Uniform Guidelines on Employee Selection Procedures (Uniform Guidelines) of 1978

The Uniform Guidelines on Employee Selection Procedures were developed to meet the federal government's need for a uniform set of principles on the use of tests and other selection procedures. These guidelines, a product of Title VII, incorporate a single set of principles designed to assist employers, labor organizations, employment agencies, and licensing and certification boards in complying with requirements of Federal law prohibiting employment practices which discriminate on the basis of race, color, religion, sex, and national origin.

The Uniform Guidelines are designed to provide a framework for determining the proper use of tests and other selection procedures, so that no adverse impact occurs. However, all test users are encouraged to use valid selection procedures, especially those operating under merit principles. The federal EEOC enforces the Uniform Guidelines.

The Pregnancy Discrimination Act (PDA) of 1978

This amendment to Title VII of the 1964 Civil Rights Act was passed in response to a U.S. Supreme Court ruling that discrimination based on pregnancy was not covered by the ban on sex discrimination. The Pregnancy Discrimination Act

prohibits discrimination against an employee because she is pregnant or is suffering from any pregnancy-related disability. The federal EEOC administers this Act. This Act makes it unlawful to:

- refuse to hire a woman because she is pregnant;
- fire a woman because she is pregnant;
- force a pregnant employee to leave work if she is willing and able to work; and
- stop the accrual of seniority for an employee who has to take leave to give birth or have an abortion, unless seniority does not accumulate for other disabled employees during a leave of absence.

The Age Discrimination in Employment Act (ADEA) of 1967

This Act provides that " . . . no person . . . shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance . . . The prohibitions in this Act shall be limited to individuals who are at least 40 years of age." The federal EEOC and the U.S. Department of Labor's Wage and Hour Division administer the ADEA.

The Supreme Court has further defined situations that might be considered age discrimination. On April 1, 1996, the Supreme Court justices issued a unanimous decision in the age discrimination case of *James O'Connor vs. Consolidated Coin Caterers Corporation*. This decision states that employers can be held liable, under the Age Discrimination in Employment Act of 1967, when a worker over 40 years old is replaced by another worker who is younger, but also over 40, if the termination decision is proven to be motivated by age.

Specifically, Justice Antonin Scalia, writing for the court, stated, "There can be no greater inference of age discrimination . . . when a 40-year-old is replaced by a 39-year-old than when a 56-year-old is replaced by a 40-year-old." He also stated, "Because the ADEA prohibits discrimination on the basis of age and not class membership, the fact that a replacement is substantially younger than the plaintiff is a far more reliable indicator of age discrimination than is the fact that the plaintiff was replaced by someone outside the protected class." While Scalia noted that the age difference must be significant, he did not offer a specific definition of "substantially younger."

Immigration Reform and Control Act (IRCA) of 1986 (Amended in 1990)

The Immigration Reform and Control Act was passed to control unauthorized immigration to the United States. Employer sanctions, increased appropriations for enforcement, and amnesty provisions of IRCA are the main ways of accomplishing its objective. The employer sanctions provision designates penalties for hiring aliens not authorized to work in the United States. Under the amnesty provision, illegal aliens who lived in the United States since January 1, 1982, could have applied to the Immigration and Naturalization Service (INS) for legal resident status by May 4, 1988.

The Act also prohibits discrimination against job applicants and establishes penalties for hiring illegal aliens. The IRCA requires employers to obtain written confirmation from all new employees stating that they are authorized by law to be employed in the United States (U.S.) within three days of hiring. The new employee and the employer must complete form I-9, which verifies the identity and right to work in the U.S., and retain this form for at least three years.

The IRCA also contains anti-discrimination provisions to protect non-citizens against unlawful discrimination. In other words, an employer may not refuse to consider a person for employment because it suspects the applicant is an unauthorized alien; rather, the employer is required to verify an applicant's status only after an offer of employment has been made.

The Immigration and Naturalization Service (INS), in the Department of Justice, enforces the IRCA. INS officials may make unannounced on-site visits and complaint inquiries and assess fines from $100 to $10,000 per violation. The Department of Labor has the authority to receive complaints and to audit an employer's I-9 forms for compliance.

Americans with Disabilities Act (ADA) of 1990

The Americans with Disabilities Act of 1990 provides protection against employment discrimination to millions of actual and potential employees with disabilities. An individual is considered to have a " disability" if s/he has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment. Discrimination against a qualified individual with a disability is prohibited in all parts of the employment process under Title I of the ADA. Discrimination is banned with respect to:

- recruitment, advertising, and job application procedures;
- hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff, and rehiring;
- rates of pay or any other form of compensation and changes in compensation;
- job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- leaves of absence, sick leave, or any other leave;
- fringe benefits available by virtue of employment, whether or not administered by the employer;
- selection and financial support for training, including professional meetings, conferences and other related activities, and selection for leaves of absence to pursue training;
- activities sponsored by an employer, including social and recreational programs; and
- any other terms, conditions or privileges of employment.

In addition, employers may not discriminate against a qualified applicant or employee because he or she is known to have a relationship or association with a person who has a disability. This prohibition is not limited to those who have a familial relationship with an individual with a disability.

The use of the term "Americans" in the law's title does not mean that the ADA protects only U.S. citizens. Rather, the ADA protects all qualified individuals with disabilities, regardless of their citizenship or nationality.

The ADA was amended by the Civil Rights Act of 1991 to include protection of U.S. citizens who work overseas for U.S. businesses. It does not apply to conduct occurring before that date. These workers now are expressly included in the ADA's definition of employee. However, a U. S. employer doing business abroad is not required to comply with the ADA if compliance would violate the law of the foreign country in which the employer's foreign workplace is located.

Reasonable Accommodation Under the ADA

The ADA requires reasonable accommodations in three aspects of employment:

- To ensure equal opportunity in the application process so that each qualified applicant has an equal opportunity to participate in the application process and to be considered for a job.
- To enable a qualified applicant with a disability to perform the essential functions of the job being sought and to enable a qualified employee with a disability to perform the essential functions of a job currently held.
- To enable an employee with a disability to enjoy benefits and privileges of employment that are equal to those enjoyed by similarly situated employees who do not have disabilities.

In considering accommodation, the two factors that must be considered are the specific abilities and functional limitations of a particular applicant/employee with a disability and the specific functional requirements of a particular job. It is recommended that human resource personnel permit employees to voluntarily declare their disabilities at least annually.

The Rehabilitation Act of 1973

The Rehabilitation Act of 1973 (Sections 503 and 504) prohibits disability discrimination by government contractors and recipients of federal financial assistance. It requires covered employers to take reasonable steps to accommodate employees with disabilities. The Americans with Disabilities Act (ADA) extends the coverage of this Act and clarifies some of the details of how it should be implemented. (Note: although_the Rehabilitation Act uses the word "handicapped" and the ADA uses "disabled," the courts have construed the terms to have the same meaning.

Section 503 applies to federal contractors and subcontractors that have federal contracts of more than $10,000. Under Section 503, contractors must include an affirmative action clause, which details the protections a contractor will provide qualified disabled individuals. This provision requires that the contractor must take affirmative action to employ and advance in employment qualified individuals with disabilities. The U.S. Department of Labor's Office of Federal Contract Compliance Programs administers this Act for federal contractors.

Section 504 prohibits discrimination against qualified individuals with disabilities in federally funded programs and activities. The Justice Department's Disability Rights Section is responsible for ensuring compliance with the provisions of this section.

The U.S. Department of Labor's Office of Federal Contract Compliance Programs administers this Act for federal contractors and the U.S. Department of Education's Office for Civil Rights administers it for other federal financial recipients.

The Education Amendment (Title IX) of 1972

Title IX of the Education Amendment of 1972 forbids discrimination based on sex, including sexual harassment, in educational programs or activities that receive federal funds. This Act, as well as agencies that receive federal funds for educational programs or activities, covers almost all colleges and universities. Specifically exempt from the Act are military and religious schools. All full- and part-time employees of agencies receiving federal assistance in educational programs or activities are covered. Employment coverage follows the policies of the EEOC and the Department of Labor's Office of Federal Contract Compliance Programs. The Department of Education's Office for Civil Rights administers Title IX.

Federal Executive Order 11246 of 1965

Executive Order 11246 (1965), as amended by 11375 (1967) and 11478 (1969), prohibits federal government contractors and subcontractors from discriminating against employees and applicants on the basis of race, color, religion, sex, or national origin. Contractors with contracts or subcontracts exceeding $50,000 are required to develop and implement written affirmative action plans. The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) administers this Order.

In the Commonwealth of Virginia, there are a limited number of employees covered by this Order. Namely, covered employees included those who work in agencies that have entered into agreements receiving special grants. The Executive Order 11246 requires contractors with contracts exceeding $10,000 to include an equal employment opportunity clause in each contract stating the following:

- The contractor will not discriminate against any employee or applicant and will take affirmative action for protected employees and applicants. In addition, the contractor will conspicuously place posters at all job sites, outlining the provisions of affirmative action.
- All job advertisements will state that all qualified applicants will be considered regardless of race, color, religion, sex or national origin.

- The contractor will permit access to books for investigators to ascertain compliance with regulations along with the supply of information and reports.

Uniformed Services Employment and Reemployment Rights Act of 1994

The Uniformed Services Employment and Reemployment Rights Act (USERRA) requires employers to provide leave for all employees and to guarantee reinstatement rights regardless of whether the military service is voluntary or involuntary. The Act prohibits employers from discriminating in employment and from retaliating against persons for reasons related to past, present, or future service in a "uniformed service." The term "uniformed service" means the Armed Forces, the Army and Air National Guards during active and inactive duty training or full-time National Guard duty, the commissioned corps of the Public Health Service, and others that the President may designate during war or emergencies.

The USERRA provides that an employer must grant a leave of absence for up to five years to any person who is absent from a job because of service in the uniformed service, and that the employer must usually reinstate the veteran to the position, or to an equivalent position, he would have had if his employment had not been interrupted by military service.

After completing military service, the veteran must notify the pre-service employer that he intends to return to work. Different notification periods and reinstatement rights apply, depending on the length of military service. The Act also protects returning veterans from discharge without cause for a period after reemployment, except for veterans whose service was for less than 31 days.

Federal law does not require an individual to give an employer notice of plans to enter military service. However, both reservists and National Guardsmen are required to request a leave of absence before military training duty.

The Department of Labor administers this Act. Individual employees may ask the Secretary of Labor to conduct investigations. The Secretary of Labor may refer any case to the US Attorney General to resolve or prosecute.

Federal Hatch Act of 1939

This federal statute restricts the political activity of executive branch employees of the federal government, the District of Columbia government and certain state and

local employees. Covered employees under the Act are persons principally employed by state or local executive agencies in connection with programs financed in whole or in part by federal grants or loans. The Act does not apply to the political activity of persons employed by educational or research institutions or agencies supported in whole or part by (a) states or their political subdivisions, or (2) religious, philanthropic or cultural organizations. The U.S. Office of Special Counsel enforces this Act.

Federal Freedom of Information Act of 1966

This federal statute provides that any person has a right of access to federal agency records. This right of access is enforceable in court except for those records that are protected from disclosure by the nine exemptions to the FOIA, which are discussed in the text of the law. The Department of Justice enforces this Act.

Federal Privacy Act of 1974

This federal statute establishes certain controls over what personal information the federal government collects and how it is used. The Act guarantees three primary rights: (1) the right to see records about yourself, subject to the Privacy Act's exemptions, (2) the right to amend that record if it is inaccurate, irrelevant, untimely, or incomplete, and (3) the right to sue the government for violations of the statute including permitting others to see your records unless specifically permitted by the Act. The Department of Justice enforces this Act.

Consumer Credit Protection Act of 1968

This act prohibits an employer from discharging an employee because the employee's earnings have been subjected to garnishment for any single indebtedness. However, the law does not prohibit discharging an employee subjected to garnishment for two or more separate cases of indebtedness. There is always the risk of allegations of disparate treatment if the person is in a protected class. The Secretary of Labor, acting through the Wage and Hour Division of the Department of Labor, enforces the provisions of this subchapter.

WAGE AND SALARY ADMINISTRATION

Fair Labor Standards Act (FLSA) of 1938

The FLSA regulates the minimum wage, employee overtime status, child labor, overtime payment, and record keeping requirements along with other administrative issues. In 1986 the public sector became covered by this Act. The U.S. Department of Labor's Wage and Hour Division administers this Act.

A covered employee as defined by the FLSA falls into one of two categories - exempt or non-exempt - regarding overtime pay. Employees who are paid a salary of at least $455.00 per week and whose duties meet specified requirements may qualify as exempt Administrators, Professionals, or Executives. Independent contractors, elected officials and their personal staffs, policy-making appointees, legal advisors, legislative employees, volunteers, prisoners, and certain trainees are not covered by the Act and do not fall in either category. There are certain factors identified to determine whether workers are considered employees or independent contractors.

The FLSA requires employers to pay nonexempt employees no less than the established minimum wage. Any non-exempt employee required to work in excess of 40 hours per week (or 160 hours in a 28-day cycle under the 207K provisions for public safety jobs) must be compensated at a rate of no less than 1½ times the employee's regular rate of pay (or provided overtime leave) for such overtime hours.

Any employee covered by the FLSA may initiate a complaint to be investigated. Penalties for violations can include up to two years of back pay and up to three years for willful violations. Under certain circumstances, doubling of unpaid wages can be required. Federal contractors that violate the FLSA may be debarred from future contracts. The statute of limitations is two years for unintentional violations and three years for willful violations. Persons who willfully violate the Act more than once are subject to a fine of not more than $10,000 and/or imprisonment of not more than 6 months.

Equal Pay Act (EPA) of 1963

The Equal Pay Act (EPA), an amendment to the Fair Labor Standards Act, prohibits compensation discrimination based on an employee's sex. This means that an employer cannot use wages to discriminate between employees on the basis of sex. Employers many not pay wages to employees at a lesser rate than it pays to employees of the opposite sex for equal work that requires equal skill, effort, responsibility, performance and under similar conditions. The federal EEOC administers this Act.

However, there are some exceptions to this provision. For example, it is lawful if unequal payments are made under the following conditions:

- when there are performance differences in the job duties;
- when there are geographic work differentials;
- when any factors other than sex are identified; or,
- when a bona fide seniority system exists

EMPLOYEE BENEFITS AND WORKPLACE SAFETY

Family and Medical Leave Act (FMLA) of 1993

The Family and Medical Leave Act (FMLA) of 1993 covers all eligible state employees. Employees who have at least 12 months of service and have worked at least 1250 hours in the previous year are eligible to take up to 12 weeks of unpaid leave during a 12 month period because of a serious health condition of the employee or to care for a family member. The U.S. Department of Labor administers this Act.

In general, eligible employees may take leave in the following situations:

- for the birth of a child of the employee and to care for such child;
- for the placement of a child with the employee for adoption or foster care;
- to provide care for the spouse, or child, or parent, of the employee, if such spouse, child, or parent has a serious health condition; or
- for a serious health condition that makes the employee unable to perform the functions of the position.

The FMLA allows the employee to be eligible to return to the same or similar job with the same pay rate and benefits. In general, the reinstatement to a prior position is not required in the following situations:

- if the employee is designated as a key employee (among 10% of the highest paid salaried employees within a 75-mile radius);
- if the employee decides not to return to work; or
- if reinstatement would result in a substantial and grievous economic injury to operations.

Employees are required to pay only their portion of the cost of benefits while on leave; however, the employer may seek reimbursement of health insurance premiums if the employee decides not to return to work. Employees may take leave intermittently or on a reduced leave schedule when medically necessary. Using leave intermittently or on a reduced leave schedule shall not result in a reduction in the total amount of leave to which an employee is entitled.

Relief for violations of this Act is varied. If an employer has violated one or more provisions of FMLA, an employee may receive any combination of wages, employment benefits, or other compensation denied or lost; or, where no such tangible loss has occurred, such as when FMLA leave was unlawfully denied, any cost of providing care, up to a sum equal to 12 weeks of wages for the employee. In addition, the employee may be entitled to interest on such sum, calculated at the prevailing rate. When the employer is found in violation, the employee may recover a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action from the employer in addition to any judgment awarded by the court.

Consolidated Omnibus Reconciliation Act (COBRA) of 1986

The Consolidated Omnibus Reconciliation Act requires employers who provide health care coverage to continue group medical insurance coverage for 18 to 36 months when an employee or family member has a "qualifying event." Employers who fail to make continued coverage available to qualified beneficiaries will be assessed a tax of $100 for each day of noncompliance. The U.S. Department of Labor administers this Act.

An employee may continue the coverage for 29 months if unable to work because of a disability. In the case of divorce, death of the employee, the ineligibility of the dependent child, loss of coverage due to Medicare eligibility or bankruptcy of a retired employee's employer, an individual can receive continued coverage for 36 months. Generally, COBRA terminates when a spouse or dependent obtains Medicare coverage or cancels all health coverage or becomes eligible for medical insurance from a new employer. However, if the new medical insurance plan excludes a preexisting condition, the COBRA beneficiary may continue COBRA coverage until the requirements of the new plan are met or the expiration of COBRA time period or whichever comes first.

Health Insurance Portability and Accountability Act of 1996

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted as part of a broad Congressional attempt at incremental healthcare reform. The primary intent of HIPAA is to provide better access to health insurance, limit fraud and abuse and reduce administrative costs. HIPAA specific protections include the following:

- limits the use of pre-existing condition exclusions in health insurance plans;
- prohibits group health plans from discriminating against employee's or family members past or present poor health conditions;
- guarantees that employers or employees who purchase health insurance can renew the coverage regardless of any health conditions of individuals covered under the health plan

In order to comply with HIPAA, agencies are required to provide employees that are covered by the state health plans with evidence of creditable health coverage (Certificate of Creditable Health Coverage) when they become ineligible for coverage. This certificate is furnished to everyone leaving the State Health Benefits Program or the State Retiree Health Benefits Program (except for Medicare Supplement Plans). This certificate demonstrates that the employee and covered family members have been covered for a specific number of months under the state health care plan. If an employee has at least 18 months of creditable service as defined by HIPAA, then they may have certain additional rights that may be exercised when securing individual healthcare coverage.

Occupational Safety and Health Act (OSHA) of 1970

The Occupational Safety and Health Act (OSHA) of 1970 was enacted to ensure safe and healthy working conditions for workers nationwide. OSHA has influenced safety and health activities in the workplace for more than two decades. The Secretary of Labor is responsible for protecting worker safety.

All state agencies must complete the OSHA Form 300 Log of Work-Related Injuries and Illnesses for each work-related death or work-related injury or illness that involves loss of consciousness, restricted work activity or job transfer, days away from work, or medical treatment beyond first aid. Also, the form must be completed for any significant work-related injuries and illnesses that are diagnosed by a physician or licensed health care professional. The records must be posted annually at each location and maintained for five years. Failure to maintain required records could result in citations and civil penalties. Employers who willfully make false statements will face possible imprisonment.

All state agencies must complete the OSHA Form 301 Injury and Illness Incident Report when a recordable work-related injury or illness occurs. This form must be completed within seven days of the incident's occurrence. It must be maintained for a period of 5 years.

The statute forbids any person from discharging or discriminating against any employee who has instituted a violation proceeding under the law. Employees who feel they have been discriminated against can seek relief from OSHA. OSHA will issue a citation describing the violation and the proposed civil and criminal penalties. If the employer is found guilty, OSHA will require the employer to pay back wages, reinstate the employee and post a formal announcement of the verdict.

Drug Free Workplace Act of 1988

Effective March of 1989, the Drug Free Workplace Act requires that all employers receiving federal grants, as well as those having federal contracts of $100,000 or more to maintain a drug free workplace. Moreover, this law requires employers to develop and to disseminate policies prohibiting the manufacture, distribution, dispensation, possession, or use of controlled substances. In addition, they must inform all employees of the provisions of the Act and they may accomplish this by establishing "drug-free-awareness" programs.

Under this law, employees are required to inform their employer within five days if they are criminally convicted for a drug violation occurring in the workplace. In turn, the employer must notify the contracting federal agency within 10 days after the criminal conviction of one of its employees. The federal agencies awarding the grants are responsible for enforcing the provisions of this Act.

STATE LAWS AND EXECUTIVE ORDERS

Virginia Human Rights Act of 1987

The Human Rights Act safeguards all individuals within the Commonwealth from unlawful discrimination because of their race, color, religion, national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, or disability, in places of public accommodation (including educational institutions), real estate transactions; employment; preservation of the public safety, health and general welfare;

and to further the interests, rights and privileges of individuals within the Commonwealth. It also protects the citizens of the Commonwealth against unfounded charges of unlawful discrimination. The Commonwealth of Virginia's Human Rights Council administers this Act.

Selective Service Registration Act of 1999

The Code of Virginia (2.2 – 2804) prohibits employment by or service for the Commonwealth of any person who was required to but failed to meet the federal requirement to register for the Selective Service. This includes political subdivisions, boards and commissions, state agencies, departments, and institutions of the Commonwealth. However, such persons shall not be denied employment if they did not register because of the following reasons:

- The requirement to register terminated or became inapplicable; and
- Failure to register was not a knowing or willful act.

Governor's Executive Order on Equal Employment Opportunity

Issued at the discretion of each administration, the Governor's Executive Order on Equal Employment Opportunity prohibits employment discrimination based on race, sex, color, national origin, religion, age, or political affiliation, or against otherwise qualified persons with disabilities. This policy specifically prohibits discrimination based on race, sex, color, national origin, religion, age, or political affiliation, or against otherwise qualified persons with disabilities.

No state appointing authority, other management principals, or supervisors shall take retaliatory actions against persons making such allegations. Authority to investigate allegations of discrimination and retaliation in employment is delegated under this order to the Office of Equal Employment Services in the Department of Human Resource Management.

Virginia Freedom of Information Act of 1968

The Virginia Freedom of Information Act ensures that the citizens of the Commonwealth have access to records in the custody of public officials and entry to meetings of public bodies wherein the business of the Commonwealth is being conducted. The affairs of government are not intended to be conducted in an atmosphere of secrecy since at all times the public is to be the beneficiary of any

action taken at any level of government. Unless a public body or public official specifically elects to exercise an exemption provided by this Act or any other statute, every meeting shall be open to the public and all public records shall be available for inspection and copying upon request. Any individual may petition the general district court in which the petitioner resides to enforce the government body to adhere to the provisions of the Act.

Virginia Privacy Protection Act of 1976

The Virginia Privacy Protection Act describes what information may be collected on an individual, how it must be maintained, and how it may be used. The Act enumerates specific principles that the Commonwealth and political subdivisions shall adhere to in order to safeguard personal privacy. Any aggrieved person may petition the circuit court of any county or city wherein the person or agency is located or has a place of business.

Virginia State and Local Government Conflict of Interests Act of 1965

This Act provides that no officer or employee of any governmental agency of state government shall have a personal interest in a contract with the governmental agency of which he is an officer or employee, other than his own contract of employment. It also cites the conditions under which an officer or employee of an agency may have a contract with another agency. Finally, it spells out the administration of contracts and employment relationship of an officer or employee when an immediate family member is employed by that agency. The Secretary of the Commonwealth administers this Act.

Virginia Personnel Act of 1942

The purpose of the Virginia Personnel Act is to ensure for the Commonwealth a system of personnel administration based on merit principles and objective methods of appointment, promotion, transfer, layoff, removal, discipline, and other incidents of state employment. The Department of Human Resource Management administers this Act.

Veteran's Preference (1950)

The provisions of this Act protect the rights of veterans who apply for employment with the Commonwealth. More specifically, it states that, in a manner consistent with federal and state law, if any veteran applies for employment with the Commonwealth that is based on the passing of any written test, the veteran's grade or rating on such examination shall be increased by five percent. If the veteran has a service-connected disability rating fixed by the U.S. Veterans Administration, his grade or rating shall be increased by ten percent on such examination. Such increases shall apply only if the veteran passes the test. Also, if the application process does not include use of a written examination, the veteran's military service shall be taken into consideration during the selection process, provided that the veteran meets all of the knowledge, skill, and ability requirements of the available position. Finally, if any veteran is denied employment with the Commonwealth, he has the right, to the extent permitted by law, to request and to inspect information regarding reasons for such denial.

Code of Virginia

Benefits and other areas that affect staffing in agencies are addressed throughout the Code of Virginia. The Code authorizes DHRM to develop, disseminate, and interpret state personnel policies and procedures to all agencies. The Code also establishes the State Grievance Procedure that is administered by the Department of Employee Dispute Resolution. Individual DHRM Human Resource policies refer to specific code citations.

APPENDIX A

AGENCY SALARY ADMINISTRATION PLAN GUIDELINES

I. Effective Date

II. Agency Salary Administration Philosophy and Policies

III. Responsibilities

IV. Recruitment & Selection Process

V. Performance Management Process*

VI. Pay Practices Process

VII. Recognition Awards

VIII. Hourly Employees

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XIII. Authorization and Signature

*** Revised 12/18/00**

AGENCY SALARY ADMINISTRATION PLAN GUIDELINES

The ***Agency Salary Administration Plan Guidelines*** are intended to help state agencies prepare for implementation of the State's Compensation Management System and serve as a continuous framework for updating ***Agency Salary Administration Plans***, as agency business needs change. Additionally, these guidelines will provide agencies a framework in which to formulate their internal job evaluation processes and salary administration policies to support their agency's mission and organizational needs. These guidelines contains ideas, alternatives and options for agencies to consider as they design their own approach to implementing the new compensation components outlined in the Compensation Management System. These guidelines should serve as a resource to agencies and should not be perceived as a comprehensive listing of all options available to agencies in implementing the Compensation Management System.

During the transition to the State's Compensation Management System that will begin September 25, 2000, agencies will not have to develop an ***Agency Salary Administration Plan***. This transition period is a time when agency management becomes familiar with the new job evaluation and compensation components and begins to formulate and operationalize their ***Agency Salary Administration Plan*** based on their organizational needs. A ***Transition Planning Checklist*** has been developed for agencies to use during this transitional period that includes items that should be considered for implementation. This checklist will serve as the precursor for the ***Agency Salary Administration Plan***.

The ***Agency Salary Administration Plan*** is the document that outlines how agencies will implement the Compensation Management System. It will address specifically how the agency intends to implement the compensation and performance management components. This document will become the foundation for ensuring consistent application of pay administration decisions.

The ***Agency Salary Administration Plan*** is the basis for agency policy. Agencies will be held accountable for actions taken in accordance with their plan. It will be submitted to the State Department of Human Resources Management (DHRM) for review. Approval will not be required; however, DHRM will conduct post audits to ensure that ***Agency Salary Administration Plans*** are in compliance with EEO requirements and state policy. Additionally, DHRM will serve as a resource to agencies to assist with plan development.

The framework outlined in this guide is designed to address the components an agency should typically include in their ***Agency Salary Administration Plan***. Each of the plan's components outlines issues to be considered as agencies develop their internal salary administration policies, and potential options regarding the agency's internal approval process. Each agency should decide the level of approval needed for various salary administration decisions.

All agencies are required to develop an ***Agency Salary Administration Plan*** that addresses their salary administration policies for the new pay practices outlined in the Compensation Management System.

I. EFFECTIVE DATE

An ***Effective Date*** should be clearly designated in the agency's ***Salary Administration Plan***. The ***Effective Date*** for initial implementation will be September 25, 2000, and thereafter would reflect the date the plan is changed or modified.

Once an ***Agency Salary Administration Plan*** has been developed, there should be an on-going review of its continued applicability to the agency's mission and organizational needs. The ***Agency Salary Administration Plan*** will need to be revised when legislation approved by the General Assembly impacts parts of the plan. The following are several review options available to agencies:

- The ***Agency Salary Administration Plan*** may be effective until the agency decides to make a change/revision based on changing organizational needs.
- The ***Agency Salary Administration Plan*** may be reviewed and revised on a scheduled basis (i.e., fiscal year review, reviewed in conjunction with the agency's strategic plan, etc.)
- The ***Agency Salary Administration Plan*** may be revised to conform with any legislation approved by the General Assembly that may impact parts of the plan.

II. AGENCY SALARY ADMINISTRATION PHILOSOPHY AND POLICIES

The Commonwealth's ***Compensation Philosophy*** is to pay employees in a manner sufficient to support and develop a high performance workforce that provides quality service in a fiscally responsible manner to the citizens of Virginia. The Commonwealth's ***Compensation Philosophy*** should be the foundation used by agencies in the development of their individual ***Salary Administration Philosophy***.

A ***Salary Administration Philosophy*** is a formal statement of the basic goals and values that will guide the design, implementation and administration of the agency's compensation program. The ***Salary Administration Philosophy*** ensures that all compensation decisions are consistent with the agency's mission, goals, business objectives and culture. Therefore, it is important that agencies take into consideration

their unique organizational needs when developing their ***Salary Administration Philosophy***:

1. Identify recruitment markets and level of market competitiveness:

Where possible agencies should determine the applicable recruitment markets (e.g. local, regional, and national) for all jobs. DHRM can assist with this process. Identification of different recruitment markets will assist in determining market competitiveness for agency jobs. To determine their desired level of competitiveness of their compensation program, agencies may want to identify certain segments of their workforce that have the most significant impact on the agency's mission and services. Some options and considerations in identifying recruitment markets and level of market competitiveness are listed below:

- Identify different groupings of similar jobs (e.g. senior administrative staff, department directors, licensed professionals, clerical, etc.).
- Define the typical recruitment markets for each of these job groupings.
- Determine the agency's market position relative to each of these defined recruitment markets.
- Designate the general approach of how the agency will position itself in relation to the market.
- Identify specific high impact jobs (operationally critical) where salary dollars should be targeted.
- Emphasize ***total compensation*** (base pay and benefits) rather than strictly base pay.

2. Internal Considerations:

Agencies should consider a number of internal factors that demonstrate the range of flexibility they have in developing their ***Salary Administration Philosophy***:

- **Duties and responsibilities:**
  - compensating the employee based on the predominant or usual duties or
  - paying the employee for the highest level of skills and abilities or
  - determining internal salary rates using performance, behavioral competencies and technical expertise

- **Agency Distribution of Increases:**
  - granting the highest pay increases to those who contribute most to meeting agency goals or
  - ensuring that employees at all levels of the organization participate equitably

- **Bonus Payment Decisions:**
  - administered centrally or

- delegated to individual agency managers

➢ **Pay Administration:**
- using established rules and controls with little management discretion in pay determinations or
- providing management with tools that will allow for flexibility in making pay decisions

➢ **Human Resource Responsibility:**
- control or
- consulting or
- shared ownership

➢ **Administrative Responsibility:**
- centralized human resources oversight (equity balance) or
- decentralized management accountability for pay decisions

3. Funding Considerations:

Agencies should review Section 4-6.01 k of the 2000 Appropriation Act dealing with funding of salary increases including promotions, reallocations and In-Band Adjustments.

k. 1. Except as otherwise provided for in this subdivision, increases in the level of compensation for any job role contained in the compensation and classification plans approved by the Governor shall be effective beginning with the first pay period, defined as the pay period from June 25 through July 9, of the fiscal year if: (1) the agency certifies to the Secretary of Finance that funds are available within the agency's appropriation to cover the cost of the increase for the remainder of the current biennium and presents a plan for covering the costs next biennium and the Secretary concurs, or (2) such funds are appropriated by the General Assembly. If at any time the Secretary of Administration shall certify that such change in the level of compensation for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the remainder of the biennium within the agency's appropriation, such change in compensation may be effective on a date agreed upon by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in accordance with § 4-8.00, Reporting Requirements.

2. Salary adjustments for any employee through a promotion, reallocation, or in-range adjustment shall occur only if: (1) the agency has sufficient funds within its appropriation to cover the cost of the salary adjustment for the remainder of the current biennium or (2) such funds are appropriated by the General Assembly.

4. Other Agency Policies:

Additionally, agencies should review all of their existing policies, practices and information systems requirements to determine if revisions and adjustments need to be made in order to conform to the new provisions of the Compensation Management System.

III. RESPONSIBILITIES

The agency needs to outline the types of actions each level in the organization is responsible/accountable for in order to implement the Compensation Management System. It is suggested that responsibilities be identified for the following:

- Administration (the Agency Head's executive management team)
- Fiscal/Budget
- Managers
- First-line Supervisors
- Employees
- Human Resources

The agency may also want to establish a ***Compensation Committee*** composed of key executives/decision-makers in the organization. The role of the ***Compensation Committee*** may be to establish agency compensation policy and provide for evaluation of the Compensation Management System. Committee members may include Human Resources staff, Budget staff, and agency program managers.

The chart below outlines some suggested options for identifying responsibilities within the organization and should not be perceived to be an exhaustive listing of all possibilities.

Responsibility (Examples)	ADMINISTRATION	FISCAL/BUDGET	COMPENSATION COMMITTEE	MANAGER	FIRST-LINE SUPERVISOR	EMPLOYEE	HUMAN RESOURCES
Establish agency Salary Administration Philosophy							
Establish agency salary administration policies							
Provide employees information on new compensation plan							
Provide training to managers and employees							
Develop a list of compensation priorities for the agency							

Responsibility (Examples)	ADMINISTRATION	FISCAL/BUDGET	COMPENSATION COMMITTEE	MANAGER	FIRST-LINE SUPERVISOR	EMPLOYEE	HUMAN RESOURCES
Assess salary priorities and departmental needs in developing and acting on pay practices							
Establish and allocate positions into proper Role							
Determine responsibility for assigning Work Titles							
Information gathering/support for increase • Percentage increase requested • Source of funding • Total percent of previous increases during current fiscal year • Address any internal alignment issues in department? • Justification for percentage increase requested addressing: – Agency Business Need – Duties and Responsibilities – Performance – Work Experience and Education – Knowledge, Skills, Abilities and Competencies – Training, Certification and License – Internal Salary Alignment – Market Availability – Salary Reference Data – Total Compensation – Budget Implications – Long Term Impact – Current Salary							
Recommend pay actions							
Approve pay actions							
Negotiate salaries with applicants and employees							
Negotiate within employee initiated pay practices							
Review use of pay practices							
Establish readiness criteria for decentralization within the agency							
Identify what functions and pay decisions will be decentralized							
Provide feedback to employee on Performance Evaluation							
Employee's current performance rating							
Encourage and coach employee career development							
Seek career development opportunities							

Responsibility (Examples)	ADMINISTRATION	FISCAL/BUDGET	COMPENSATION COMMITTEE	MANAGER	FIRST-LINE SUPERVISOR	EMPLOYEE	HUMAN RESOURCES
Self development and application of new skills, competencies							
Respond to employee appeals							
Provide for program evaluation							
Collect data and provide reports							
Reviewing and following up on reports							
Review EEO impact of salary decisions, Role allocations, and other decisions impacting pay or potential pay							
Stay informed about compensation program							

IV. RECRUITMENT AND SELECTION PROCESS

The agency needs to determine the level of flexibility or control they wish to allow in employment practices. Some potential considerations are outlined below:

- **Advertising Jobs:**
  - use of Work Titles or Role Titles
  - use of a hiring range (e.g. use the entire pay band, use a segment of the pay band based on pay determination factors, etc.)

- **Recruitment:**
  - information to potential candidates about career development opportunities
  - information to potential candidates about possible opportunities to progress through the pay bands

- **Selection:**
  - starting pay determinations (e.g. centralized in the Human Resources Department, decentralized to hiring manager; or a combination approach)

- **Documentation (Tools and Forms):**
  - Employee Work Profile
  - Pay Action Worksheet
  - agency developed forms containing all required information

V. PERFORMANCE MANAGEMENT PROCESS

The agency should address the following decision points in implementing the Performance Management process:

Probationary Period

- What forms does the agency intend to use for probationary reviews?
- Will the agency require progress reviews for probationary employees? At 3 months? At 9 months?
- What positions require certification following completion of a prescribed training program and therefore require notification and completion of a new probationary period? (NOTE: Agencies may have positions that require a specific certification or completion of a prescribed training program but do not require a new or extended probationary period to be served.)
- What agency processes are required for extension of probationary period from 12 to 18 months?
- Will there be an agency-wide or a supervisor-based decision on:
  - completing a performance review for probationary employees hired after the performance cycle begins and
  - their eligibility for an increase?

Performance Plans

- Will the agency have a prescribed time period for the development and review of performance plans (generally within 30 days of the beginning of the performance cycle)?
- Will the agency have a prescribed time period for the modification/revision and review of performance plans due to an employee transfer to a new or different position (generally within 30 days of the employee's begin date)?

Documentation during the Performance Cycle

- Will the agency *require* an interim evaluation for non-probationary employees? If so, what form will be used for evaluation purposes and will the reviewer's signature be required?
- What form will the agency use to document "Acknowledgement of Extraordinary Contribution" or "Notice of Improvement Needed/Substandard Performance"?

Conducting Performance Evaluations

- Will the agency/subunits use the EWP or an agency designed form? Is this an agency mandate or an option for the subunits? Are optional pages of the EWP required by the agency? How will the agency transition from use of old PD and Performance Evaluation forms to new EWP or other agency unique forms?
- What document and/or process (e.g., completion of a designated form, e-mail, etc.) will be used for employees who elect to complete a self-assessment?
- At what level will the agency define organizational objectives (agency-wide, division, college, subunits)?

- Will the agency use other sources (e.g., peers, customers, other supervisors, etc.) to gather employee performance information? If so, what process will be used to inform employees of the potential sources used to gather performance information?
- Will the agency use group/team-based performance assessments? If so, how will the planning and evaluation process be administered?
- How will the agency provide employees the opportunity to provide upward feedback to reviewers regarding their supervisors' performance? What documents will be used for providing employee feedback? How will confidentiality of employee feedback be maintained?
- Will the agency allow higher levels of management (beyond the reviewer) the latitude to modify an employee's performance evaluation? Identify the level of management in the agency that will be authorized to modify employee evaluations.

Performance Increases

- Will the agency identify separate sub-units within the organization to administer performance increases? If so, how will they be defined?
- What will be the decision making process the agency uses to determine the distribution of increases for "Contributors" and "Extraordinary Contributors" within the policy guidelines ("Contributors" must receive at least 80% of the statewide average increase and "Extraordinary Contributors must receive no more than 250% of the statewide average increase)?

Other Issues

- Will the agency use the appeals process for reconsideration of employee evaluations outlined in the Performance Planning and Evaluation Policy or develop an agency specific appeals process?
- Will absences from work (excluding overtime leave, compensatory leave, workers' compensation, military leave, Family and Medical Leave, and Short Term Disability under the VSDP program) impact employees' overall performance rating and the percentage of increase? If so, explain.

VI. PAY PRACTICE PROCESS

In determining salaries, agency management must take the following pay determination factors into consideration:

- Agency Business Need
- Duties and Responsibilities
- Performance
- Work Experience and Education
- Knowledge, Skills, Abilities and Competencies
- Training, Certification and License
- Internal Salary Alignment
- Market Availability
- Salary Reference Data

- Total Compensation
- Budget Implications
- Long Term Impact
- Current Salary

Agencies need to determine the level of flexibility or control they will allow in the administration of pay practices. The form on the next page may be help at identifying where authority for individual pay practices falls within the agency.

Pay Practice	Pay Guidelines	Authorization
Starting Pay New employee Rehires	Negotiable from minimum of pay band up to 15% above current salary not to exceed pay band maximum (Exceptions higher than 15% may be granted as appropriate at agency discretion)	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Promotion Movement to a different Role in a higher pay band	Negotiable from minimum of new pay band up to 15% above current salary. (Salary may not be below the minimum of the new pay band.)	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Voluntary Transfer – Competitive Movement within same Role or to different Role in the same pay band	Negotiable from minimum of pay band up to 15% above current salary not to exceed pay band maximum	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Voluntary Transfer – Non-Competitive Movement within same Role or to different Role in the same pay band	Negotiable from minimum of pay band up to 10% above current salary not to exceed pay band maximum	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Voluntary Demotion Movement to a different Role in a lower pay band	Negotiable from minimum of pay band up to current salary not to exceed pay band maximum (Agency option to freeze salary above maximum for 6 months)	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Temporary Pay Assuming new duties and responsibilities on a temporary basis	For Higher Pay Band 0-15% above current salary not to exceed pay band maximum For Same Pay Band 0-10% increase not to exceed pay band maximum	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Role Change (Formerly Reallocation)	Upward: 0-10% increase or to minimum of higher pay band Downward: No change in salary unless above maximum of the lower pay band, reduce after six months Lateral: 0-10% increase not to exceed pay band maximum	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
In-Band Adjustment – Change in duties – Application of new KSA's, competencies – Retention – Internal alignment	0-10% increase not to exceed pay band maximum, maximum 10% per fiscal year for In-Band Adjustments (to include any increase for Lateral Role Change)	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Disciplinary or Performance-related Salary Action	Minimum 5% decrease or to lower pay band	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other
Competitive Salary Offer	Match outside offer not to exceed maximum of pay band	❑ Centralized (approved by HR) ❑ Decentralized to management ❑ Shared accountability ❑ Other

Listed below are some ***potential*** options and considerations for the administration of pay practices. However, this is not intended to be an exhaustive listing of all options available in implementing the new pay practices.

1. Starting Pay:

- use the same percentage of increase for all new hires
- use variable increases (minimum of pay band to 15% above current salary) based on recruitment difficulty, criticality of job or other pay factor determinations
- exceptions to starting pay approved by top administrator or designee

2. Promotion:

- assign set percentage (minimum of pay band to 15% maximum) for all agency promotions (e.g. all incumbents would receive 3%, 5%, 8%, etc.)
- allow for variable increases determined by management based on pay determination factors
- ___% without Human Resource approval and ___% to 15% with Human Resources approval

3. Voluntary Transfers (Competitive – same or different Role in same pay band):

- assign set percentage (minimum of pay band to 15% maximum) for all competitive voluntary transfers (e.g., all incumbents would receive 3%, 5%, 8%, etc.)
- allow for variable increases determined by management based on pay determination factors
- ___% without Human Resource approval and ___% to 15% with Human Resource approval
- establish guidelines for not giving salary increase
- establish guidelines for reducing incumbent's current salary

4. Voluntary Transfers (Non-Competitive – same or different Role in same pay band):

- assign set percentage (minimum of pay band to 10% maximum) for all non-competitive voluntary transfers (e.g. all incumbents would receive 3%, 5%, 8%, etc.)
- allow for variable increases determined by management based on pay determination factors
- ___% without Human Resource approval and ___% to 10% with Human Resource approval
- establish guidelines for not giving salary increase

- establish guidelines for reducing incumbent's current salary

5. Voluntary Demotions:

- assign set percentage of decrease for all voluntary demotions
- reduce all incumbents' salaries to pay band minimum
- allow for variable decreases determined by management based on pay determination factors
- no change in salary for voluntary demotions
- determine agency option of freezing salary above maximum for 6 months

6. Temporary Pay (different Role in higher pay band):

- assign set percentage (0% to 15% maximum) for all temporary pay situations (e.g. incumbents would receive 3%, 5%, 8%, etc.)
- allow for variable increases determined by management based on pay determination factors
- ___% without Human Resource approval and ___% to 15% with Human Resource approval
- establish time period for receiving temporary pay
- determine how extension request will be handled and approved

7. Temporary Pay (different Role in same pay band):

- assign set percentage (0% to 10% maximum) for all temporary pay situations (e.g. incumbents would receive 3%, 5%, 8%, etc.)
- allow for variable increases determined by management based on pay determination factors
- ___% without Human Resource approval and ___% to 10% with Human Resource approval
- establish time period for receiving temporary pay
- determine how extension request will be handled and approved

8. Role Change (Upward or Lateral):

- assign set percentage (0% to 10% maximum) for all Upward or Lateral Role Changes (e.g. incumbents would receive 3%, 5%, 8%, etc.)
- allow for variable increases determined by management based on pay determination factors
- ___% without Human Resource approval and ___% to 10% with Human Resource approval
- no change in pay for Lateral Role changes

9. In-Band Adjustments:

- <u>Percentage of increase determination</u>:

- make all in-band applications a set percentage (e.g. 3%, 5%, 8%, etc.)
- assign different percentage to different applications (e.g. change in duties=3%; retention=5%, etc.)
- allow management flexibility to determine in-band salary amount (0% to 10%) based on pay determination factors

➢ Limits:
- ___% without Human Resource approval and ___% to 10% with Human Resource approval
- no limits can offer 0% to 10%

➢ Timing:

- grant in-band adjustments on established dates (e.g. beginning of fiscal year, quarterly, at time of performance evaluation time, etc.)
- allow in-band adjustments any time during the fiscal year

➢ Frequency:
- grant entire increase at one time
- grant staggered increases (e.g. 2.5% now and 2.5% in 6 months)

10. Disciplinary or Performance Related Salary Action:

➢ mandatory 5% minimum salary reduction (note: if in same pay band, salary cannot be below minimum and if in lower pay band cannot exceed new maximum salary)
➢ allow for variable decreases greater than 5% determined by management based on pay determination factors

11. Competitive Salary Offer:

Once the critical need to make a competitive offer has been determined:
➢ match outside salary offer not to exceed maximum of pay band
➢ __% without Human Resources approval and __% up to outside offer with Human Resource approval

VII. RECOGNITION AWARD PROCESS

Agencies need to determine the level of flexibility or control they will allow in the administration of recognition awards. Listed below are some ***potential*** options and considerations for the administration of recognition awards. However, this is not intended to be an exhaustive listing of all options available to agencies.

➢ limit amount of award to $____ or any other amount up to $1,000 per fiscal year

- limit when awards are given (beginning of fiscal year, semi-annually, at performance evaluation time, etc.)
- $___ without Human Resources approval and $___ to $1,000 with Human Resource approval
- develop written procedures for giving recognition awards to ensure that all employees are aware of award requirements
- agencies usage of recognition awards (individual, group/team awards, "on-the-spot" or established awards)

VIII. HOURLY EMPLOYEES

Agencies need to consider how hourly employees are treated under the Pay Practices, the Performance Management program and Employee Recognition programs.

IX. PROGRAM EVALUATION

Agencies need to develop a method of evaluating the implementation of the Compensation Management System. It is important to note that the individuals involved in making pay determination decisions should not be responsible for evaluating the effectiveness of the Compensation Management Program. The following is a list of evaluation options agencies may consider in developing their evaluation program.

Monitor

- adherence to policy
- patterns of salary actions
- compliance with the law (ex. FLSA)

Schedule of Review
Conduct periodic reviews of pay practice activity, including demographic (race, gender, Role, Pay Band) distribution of salary actions.

- quarterly
- semi-annually
- annually

Selection of Individual Pay Actions for Evaluation

- select ____% sample (to be determined by the agency) of pay actions to review
- select 100% of all pay actions for review
- review and evaluation should include:
  - types of actions used
  - percentages given
  - EEO impact

Review of Trends: Monitor distribution of salary actions by Role Title and pay band and the fiscal impact of the program

- evaluate trends within departments
- evaluate trends across the agency
- use tools such as scattergrams to identify trends
- communicate findings back to departments
- consider opportunities for decentralization

Other Evaluation Issues

- comparison of budgeted amount to payroll amount - determine how much money is being spent
- develop a process to track budget issues
- assign responsibility for tracking budget issues and dealing with overspending

Evaluation of the Compensation Program's Effectiveness

- impact of compensation management on accomplishing the agency's mission
- impact on employee relations and morale in the agency
- impact on staffing
- impact on employee and management development

Identification of Action Plan

- identify areas of concern and department managers/supervisors that need additional training and communications

X. APPEAL PROCESS

- Rely on the state grievance process
- Supplement with an agency-specific internal appeals process to handle employee or manager inquiries

XI. EEO STATEMENT

All agency plans must include an EEO statement. A suggestion is included below:

All salary adjustments must be based on legitimate reasons as detailed in the pay determination factors and must be unrelated to race, gender, national origin, age, religion, political affiliation, or disability.

XII. COMMUNICATIONS PLAN

The agency needs to develop a ***Communication Plan*** that addresses how information on the new Compensation Management System will be delivered to all levels of agency staff and how training will occur. A suggested ***Communication Plan*** structure may include:

1. identification of the various agency audiences (e.g. senior management, middle management, employee, etc.);
2. description of the content of the training materials and the level of information shared for each of the audience groups (training outline and content);
3. outline of the methods in which information will be communicated to each audience group (e.g. management briefings, presentation at division staff meetings, employee meetings, brochures, newsletter articles, video-tapes, distance learning technology, website, etc.); and
4. timeframes for each of these communication strategies.

Additionally, communication of the Compensation Management Plan should be perceived as on-going. As new employees enter the agency and other phases are implemented (e.g. Performance Management), the ***Communication Plan*** should address how this information will be disseminated. Some areas to consider when developing the ***Communication Plan*** include the following:

- new employee orientation
- communication to applicants
- new Compensation Management System refinements/developments

XIII. AUTHORIZATION AND SIGNATURE

All Agency Salary Administration Plans must be approved, signed and dated by the Agency Head and the Human Resources Director, and submitted to the Department of Human Resources Management.

APPENDIX C

EMPLOYMENT STATUSES

This Appendix includes definitions of the various employment statuses and related compensation information for classified and non-classified employees, agency heads, hourly employees, "at will" employees, contractors and temporary workers from employment agencies.

CLASSIFIED EMPLOYEES

Classified employees are individuals covered by the Virginia Personnel Act (Chapter 10, Personnel Administration § 2.1-110. of the Code of Virginia) and include the majority of salaried individuals employed by the Commonwealth's Executive Branch. The Commonwealth's compensation policies and other human resource policies apply to classified employees. Classified employees are also covered by the Commonwealth's Grievance Procedure after completing a probationary period.

Restricted Classified Employees

Employees whose positions receive 10 percent or more of required funding from non-continuous or non-recurring funding sources, such as grants, donations, contracts, capital outlay projects, or higher education auxiliary enterprise revenues.

Full-time Classified

Employees scheduled to work a minimum of 40 hours per week for at least nine months per calendar year.

Part-time Classified

Employees scheduled to work a minimum of 20 hours per week, but less than 40 hours per week, for at least nine months per calendar year.

NON-CLASSIFIED EMPLOYEES

Non-classified employees are individuals not covered by the Virginia Personnel Act, as specified in § 2.1-116 of the Code of Virginia. Examples of non-classified employees include hourly (wage) employees, Judiciary and Legislative Branch employees, faculty employed in the Commonwealth's colleges and universities, employees of independent agencies, employees of the Virginia Correctional Enterprises and the University of Virginia Medical Center, and chief deputies and confidential assistants for policy and administration. Other examples of non-classified employees include employees of Virginia Commonwealth University Health Systems Authority.

Employing agencies may choose to apply the compensation policy and other human resource policies to non-classified employees, or they may develop separate policies for them. Only those non-classified employees specified in the Code of Virginia are eligible to use the Grievance Procedure.

Agency Heads

All executive agency heads (excluding presidents of colleges and universities) are assigned to one of five pay levels. These pay levels are similar to the classified salary structure only to the extent that each is assigned a salary range. The Appropriation Act (Budget Bill) prescribes these levels and the salary administration rules governing agency head salaries.

The Governor, upon recommendation of the appropriate Cabinet Secretary, is responsible for assigning agency heads to the various pay levels. The following factors may be considered in the pay level assignment: the size of the agency's budget; number and complexity of the agency's programs; and the degree of impact on the government or citizenry of the state.

- **Starting Salary**

  The starting salary of a newly appointed agency head normally will not exceed the midpoint of the salary range for the level assigned. In cases where the appointee's last salary was near or above the midpoint, a starting

salary up to 10% above his or her most recent salary may be approved, so long as it does not exceed the range maximum for the level assigned.

- **Salary Progression**

Agency heads normally receive annual salary adjustments consistent with those authorized by the General Assembly for classified state employees. Annual performance bonuses of 0-5% may also be granted based on performance appraisals by their respective appointing authority. Also, the Governor may increase or decrease the annual salary for Agency Heads in accordance with an assessment of performance and service.

- **Processing Guidelines**

DHRM, in coordination with the Department of Planning and Budget, will process salary changes for executive branch agency heads, including college and university presidents that are authorized by the Appropriation Act. The Virginia Community College System processes adjustments for community college presidents.

For other salary changes**,** agencies, colleges and universities are responsible for submitting a Form P-3 to the Department of Human Resource Management (DHRM) to effect any salary or supplement change for an agency head or college or university president. The P-3 must be signed by the appointing authority or a designated representative.

When an agency head is appointed or when an agency head's salary differs from the amount printed in the Appropriation Act, the agency or institution must submit a Form P-3 and a copy of the Governor's appointment letter or written authorization for the new salary. The Department of Human Resource Management will not effect any change in an agency head's salary that differs from the amount printed in the Appropriation Act without written authorization from the Governor.

- **Salary Supplements**

When a salary supplement (or special rate) is included in the salary of a college or university president, or another executive branch agency head, a memorandum from the Governor or appointing authority is required and should accompany the P-3.

Hourly Employees

Hourly employees (wage) are seasonal or temporary employees who are paid by the hour and limited to 1500 hours of work per agency in a consecutive 365-day period beginning on the anniversary of their hire date. They are paid only for hours actually worked.

- **Compensation Policies**

  Compensation Policy 3.05 and the ***Agency Salary Administration Plan*** determine the compensation of hourly employees. Hourly employees typically work with classified employees and may be hired into classified positions after a period of hourly employment. Therefore, agencies need to consider how they want to use pay practices for hourly employees and include this topic in their ***Agency Salary Administration Plan.*** The ***pay factors*** should be used to determine rates paid to hourly employees.

- **Performance Increases**

  Agencies should consider whether hourly employees will be eligible for performance increases. Statewide guidance may be provided in the Appropriation Act (Budget Bill) approved by the Governor and the General Assembly. If guidance is not provided in the Appropriation Act, agencies may develop a process for providing performance increases to hourly employees. Determinations about performance increases for hourly employees should be addressed in the ***Agency Salary Administration Plan***. Agencies electing to grant performance increases to hourly employees should develop the appropriate mechanisms to evaluate hourly employees.

- **Workers' Compensation, Fair Labor Standards Act , and Unemployment Compensation**

  All hourly employees are covered by the Workers' Compensation Act, and the minimum wage and overtime provisions of the FLSA, i.e., they are considered non-exempt. Hourly employees may be eligible for Unemployment Compensation when they are terminated, depending upon their individual circumstances.

- **Grievance**

Hourly employees are not authorized access to the Commonwealth's Grievance Procedure.

"At Will" Employees

The term "at-will" is used broadly to describe employees who are appointed by the Governor, such as employees in the Office of the Governor or employees in the Offices of Cabinet Secretaries.

However, this category also is often used to describe an "…employee who has accepted serving in the capacity of chief deputy, or equivalent, and the employee who has accepted serving in the capacity of a confidential assistant for policy or administration. Employees serving in either one of these two positions serve on an employment-at-will basis. Agencies may not exceed two employees who serve in this exempt capacity." These employees are typically appointed by the Governor. Salaries are set by the Governor's office and communicated by the Chief of Staff or designee.

The Office of the Chief of Staff or the Secretary of the Commonwealth typically establishes policies for at-will employees.

Contractors

Occasionally, state agencies require services that cannot be provided by either classified or hourly employees, or circumstances demonstrate that contractual services could be more efficient, cost effective, and in the best interest of the Commonwealth. In such cases, agencies have the authority to enter into contracts with individuals or firms to provide services. Such private contractors are not employees of the agency. They perform services under the provisions of the state's procurement policies. No taxes are withheld from payment, and no benefits are provided to the contractor.

Contractors act without direct agency supervision as to when and how the work is performed. They also provide their own equipment. If the contracting agency assumes the role of supervisor and supplier of resources, it may be considered the employer under provisions of the Fair Labor Standards Act and other laws and regulations. Agencies should address questions or

concerns about contract employees to DHRM, Department of General Services, or the Office of the Attorney General.

Temporary Workers from Employment Agencies

Employment agencies may be used to secure temporary workers in cases where hiring hourly employees is not practicable. The requirement to obtain workers through those employment agencies may arise when a large number of employees are required or when there is a limited amount of time for recruitment. These workers are not state employees. They are hired and compensated by the temporary employment agency that assigned them to state agencies. They are similar to contract employees.

APPENDIX D

AGENCY COMPENSATION APPEALS

Compensation decisions are made on the basis of policy interpretation. The Director of the Department of Human Resource Management (DHRM) has the final authority to establish and interpret The Commonwealth's human resources policies and procedures (section § 2.1-114.5.13, Code of Virginia). However, all agencies participate in policy interpretation through the daily management of employee compensation, by virtue of their authority to effect compensation actions, and their exchange of information with DHRM.

Only agency heads or their designee(s) (appointing authority) are authorized to present appeals to the appropriate DHRM authority asking that compensation decisions be reconsidered as a means of resolving disagreement. The following are actions subject to appeal:

- assignment of ***Roles*** to pay bands
- establishing new ***Roles*** or ***Career Groups***
- pay differentials and supplements
- exceptions to policy

APPEAL PROCEDURE

The following describes the process to be used when an agency appeals a compensation decision to the appropriate authority in DHRM. Hereinafter, "Director" shall mean the Director of DHRM. An appointing authority may withdraw an appeal at any time.

Process for Requesting Reconsideration

1. When an agency does not agree with a compensation decision made by DHRM, the human resources professional should discuss the decision with the DHRM consultant who first reviewed and acted on the related request. This discussion may involve meetings and the exchange of written information, in which the affected agency has the opportunity to bring new information to light or to present arguments supporting the agency's position. The DHRM consultant may change the initial action or

recommendation on the basis of such discussions, or may adhere to the initial conclusion.

2. If the affected agency is not satisfied with this outcome, then the appointing authority or the human resource professional of that agency may address a written request for reconsideration to the State Compensation Director. The request must contain specific factual information to support the agency's contention, including reference to applicable policies and procedures.

   The State Compensation Director will review the request with the staff involved in DHRM's decision. The affected agency will be given an opportunity to present or explain any materials relevant to the request. Upon consideration of all relevant information, the State Compensation Director will address a written decision to the agency.

3. The appointing authority of an agency may submit a written appeal to the Director in the event that the decision following reconsideration is not satisfactory. The appeal must cite factual and specific information supporting the action requested by the appointing authority. The Director, in addition to reviewing the appeal with the State Compensation Director, may invite the appointing authority and his/her representatives to meet and discuss the issues involved. The Director will provide written notification of his or her decision to the agency.

Instructions for Completing Employee Work Profile (EWP)

Introduction

The Employee Work Profile is a combination of the employee work description, performance plan, and evaluation assessment. Sections I, II, III and IV are written or reviewed by the supervisor and the employee at the **beginning of the evaluation cycle** to determine work plans and development needs. Sections V, VI, VII, VIII and IX then are completed by the supervisor and reviewed with the employee at the **end of the cycle**. Agencies may develop their own forms, as long as the required features are included. A combined form, including both the position responsibilities and the performance plan and evaluation may be used, or separate forms may be developed. These forms should be formatted in a way to allow them to be shared under the Freedom of Information Act (FOIA) or with other agencies; therefore, it is recommended that position information be separate from employees' personal information, which may not be subject to disclosure.

Part I – Position Identification Information

1. **Position Number:** Enter assigned position number. (required field)
2. **Agency Name & Agency Code; Division/Department:** Enter agency name and agency code; division or department name as appropriate. (required field)
3. **Work Location Code:** Enter the position's location code. (required field)
4. **Occupational Family & Career Group:** Enter the assigned occupational family and career group. (required field)
5. **Role Title & Code:** Enter the position's Role title and code. (required field)
6. **Pay Band:** Enter the pay band to which this role is assigned. (required field)
7. **Work Title:** Enter the employee's work title if used. (optional field)
8. **SOC Title & Code:** Enter the assigned SOC title and code. (required field)
9. **Level Indicator & Employees Supervised:** Check the appropriate box for employee, supervisor, or manager. Additionally, indicate if employee supervises two or more employees (FTEs). (required field)
10. **FLSA Status:** Check the appropriate box to designate the position as exempt or non-exempt under the Fair Labor Standards Act. (required field) If the position is exempt or partially exempt, the qualifying exemption test should be noted. Examples are Professional (exempt) or Law Enforcement (partially exempt). (This field is required if the information is not retained elsewhere.)
11. **Supervisor's Position Number:** Enter the supervisor's assigned position number. (required field)
12. **Supervisor's Role Title & Code:** Enter the supervisor's role title and code. (required field)
13. **EEO Code:** Enter the appropriate EEO code. (required field)
14. **Effective Date:** Enter the date the Employee Work Profile is effective (normally the date the position is established or changes are made to the work assignments). (required field)

Part II – Work Description & Performance Plan (required as part of the Work Description, but agencies may define the components.)

15. **Organizational Objective:** A brief statement describing how the position links to the work unit, division or agency's objective(s). This statement helps the supervisor and employee align the position's work assignments and priorities to agency-desired outcomes and results.
16. **Purpose of Position:** A brief description of the reason the position exists. This statement should link to the organizational objective and capture the most important service or product expected from the employee in the position. This statement gives the reader a good idea of the purpose of the position without going into detail.
17. **KSA's and/or Competencies:** A description of the expertise required to successfully perform the work assigned to the employee. It may be used in hiring new employees or to describe the competency or skill level of the incumbent.

18. **Education, Experience, Licensure, Certification:** Enter the educational background that would be required for entry into position. Also, list any occupational certifications or licenses that the employee must hold.
19. **Core Responsibilities (A – F):** Core responsibilities are defined as primary and essential to the work performed and are written as broad sets of major duties or functions. The core responsibilities must provide sufficient information to assign the position to the proper Role, determine FLSA exemption status, and provide a basis for performance evaluation. List up to five core job responsibilities in order of their importance to the whole job. Statements should be brief and do not have to include every detail of the position's activities. Performance management is preprinted and a required core responsibility for all supervisory employees.
20. **Measures for Core Responsibilities (A – F):** Identify the qualitative and/or quantitative measures against which each responsibility will be assessed.
21. **Special Assignments (G – H):** Special assignments are considered brief in nature and typically are not extended beyond the performance period. Statements should be brief and do not have to include every detail of the assignment.
22. **Measures for Special Assignments (G – H):** Identify the qualitative and/or quantitative measures against which each assignment will be assessed.
23. **Agency/Departmental Objectives (I – L):** Objectives are defined as strategic business objectives to achieve goals set by the agency or division/department. They also may include behavioral competencies that are critical to the employee's success. Identifying objectives and/or competencies on the work plan helps to support organizational values and goals and reinforces each employee's role in meeting those goals.
24. **Measures for Agency/Departmental Objectives (I – L):** Identify the qualitative and/or quantitative measures against which each objective will be assessed.

ADDENDUM – An **Organizational Chart** must be included with the Work Description/Performance Plan. (required)

Part III – Employee Development Plan (required as part of the performance plan but agencies may define the components)

25. **Personal Learning Goals**: List any learning goals identified by the employee and/or the supervisor.
26. **Learning Steps/Resource Needs:** Indicate specific steps that need to be taken and by whom to accomplish the learning goals. This may include training, coaching, or other learning methods.

Part IV – Review of Work Description/Performance Plan (required)

27. **Employee's Comments, Signature, Print Name & Date**
28. **Supervisor's Comments, Signature, Print Name & Date**
29. **Reviewer's Comments, Signature, Print Name & Date**

Part V – Employee/Position Identification Information (required for Development Plan and Performance Evaluation)

30. **Position Number**: Enter assigned position number. (required)
31. **Agency Name & Agency Code; Division/Department: Enter** agency name and agency code; division and department name as appropriate. (required)
32. **Employee Name**: Enter employee's full name. (required)
33. **Employee ID Number**: Enter unique ID number to identify employee. (required)

Part VI – Performance Evaluation (required but agencies may define the components)

34. **Core Responsibilities – Rating Earned (A – F):** Check the appropriate rating earned by the employee during the performance cycle.

35. **Core Responsibilities – Comments on Results Achieved (A – F):** Describe the employee's performance including documentation to support the earned rating.
36. **Special Assignments – Rating Earned (G – H):** Check the appropriate rating earned by the employee.
37. **Special Assignments – Comments on Results Achieved (G – H):** Describe the employee's performance including documentation to support the earned rating.
38. **Agency/Department Objectives – Rating Earned (I – L):** Check the appropriate rating earned by the employee. (optional)
39. **Agency/Department Objectives – Comments on Results Achieved (I – L):** Describe the employee's performance including documentation to support the earned rating.
40. **Other Significant Results for the Performance Cycle:** Record any significant aspects of the employee's job performance that are not addressed elsewhere in the evaluation. Only include comments that are related to the employee's job performance.

Part VII – Employee Development Results (required but agencies may define the components)

41. **Year-end Learning Accomplishments:** Summarize accomplishments related to the personal learning goals that were set at the beginning of the cycle.

Part VIII – Overall Results Assessment and Rating Earned

42. **Overall Rating Earned:** Check the appropriate overall rating earned by the employee during the performance cycle. (required)

Part IX – Review of Performance Evaluation (required)

43. **Supervisor's Signature, Print Name & Date**
44. **Reviewer's Comments, Signature, Print Name & Date**
45. **Employee's Comments, Signature, Print Name & Date**

Optional Sections

Confidentiality Statement – allows an agency to identify confidentiality as a critical organizational value and to establish clear consequences if confidentiality is violated. This section should be used only in circumstances where information is protected and does not apply to information that is released according to agency procedures. **Annual Requirements –** provides a method to easily gather and track certain agency-specific information on an annual basis.

Physical/Cognitive Requirements – documents essential and marginal job functions of the position for use when responding to requests for modification or accommodation. This information should be maintained as part of the position information. Any medical information used to make job modifications or accommodations must be maintained separately from the employees' personnel files.

Guide for Designing an Employee Work Profile (EWP)

It is recommended that agencies use a combination form similar to the sample Employee Work Profile (EWP). This combines elements of the current Position Description form (PD) and Performance Planning and Evaluation form. Agencies may, however, have separate forms as long as the required features are included.

The EWP should be designed to have a page-break just before Part III – Review of Work Description/Performance Plan. This allows Parts I and II (Position Identification Information and Work Description & Performance Plan) to be easily copied and shared with other agencies and DHRM, without sharing personal development planning or performance evaluation information. This page-break might also facilitate agency file organization.

It is recognized that some agencies may want to adopt other formats and may want to keep the PD and Performance Management forms totally separate. Whatever format is used, the following elements are required:

All elements (except #7) in **Part I** – **Position Identification Information**

1. Position Number
2. Agency Code & Name; Division/Department Name
3. Work Location Code
4. Occupational Family & Career Group
5. Role Title & Code
6. Pay Band
7. Work Title (optional)
8. SOC Title and Code
9. Level Indicator & Employees Supervised
10. FLSA Status (for exempt/partially exempt positions, include Exemption Test used, if not retained elsewhere)
11. Supervisor's Position Number
12. Supervisor's Role Title & Code
13. EEO Code
14. Effective Date

Part II – A **Work Description & Performance Plan** is required, however the structure and elements as listed in the prototype are not required. Information in this section must be sufficient to assign the position to the proper Role, determine FLSA status, and provide a basis for performance evaluation.

Addendum – An **Organizational Chart** is required.

Part III – An **Employee Development Plan** is required, however the structure and elements as listed in the prototype are not required. The development plan relates

specifically to an employee, and as such is considered a confidential personnel document.

Part IV – Signatures designating **Review of Work Description/Performance Plan** are required of Employee, Supervisor, and Reviewer. The signature section should be on a separate page so to facilitate filing and protection of employee privacy should the position description be shared.

Part V – **Employee/Position Identification Information** - The following information is required as part of the Performance Evaluation sections.

1. Position Number
2. Agency Name & Code; Division/Department
3. Employee Name
4. Employee ID Number

Part VI – A **Performance Evaluation** is required, however the structure and elements as listed in the prototype are not required. This is a confidential section.

Part VII – A section addressing **Employee Development Results** is required, however the structure and elements as listed in the prototype is not required. This is a confidential section.

Part VIII – **Overall Results Assessment and Rating Earned** - is required as listed in the prototype. This is a confidential section.

Part IX – Signatures designating **Review of Performance Evaluation** are required of Employee, Supervisor, and Reviewer. This is a confidential section.

Performance Management – Notice of Improvement Needed/Substandard Performance Form - All of the elements listed are required, however the format can differ by agency. This is a confidential form.

Performance Management – Acknowledgment of Extraordinary Contribution Form - All of the elements listed are required, however the format can differ by agency. This is a confidential section.

EMPLOYEE WORK PROFILE

WORK DESCRIPTION/PERFORMANCE PLAN

Parts I, II, III, and IV are written or reviewed by the supervisor and discussed with the employee at the beginning of the evaluation cycle.

PART I – Position Identification Information	
1. Position Number:	2. Agency Name & Code; Division/Department:
3. Work Location Code:	4. Occupational Family & Career Group:
5. Role Title & Code:	6. Pay Band:
7. Work Title:	8. SOC Title & Code:
9. Level Indicator: ☐ Employee ☐ Supervisor ☐ Manager Employees Supervised: Does employee supervise 2 or more employees (FTEs)? ☐ Yes ☐ No	10. FLSA Status: ☐ Exempt ☐ Non-Exempt Exemption/Partial Exemption Test (if applicable):
11. Supervisor's Position Number:	12. Supervisor's Role Title & Code:
13. EEO Code:	14. Effective Date:

PART II – Work Description & Performance Plan
15. Organizational Objective:
16. Purpose of Position:
17. KSA's and or Competencies required to successfully perform the work (attach Competency Model, if applicable):
18. Education, Experience, Licensure, Certification required for entry into position:

% Time	19. Core Responsibilities	20. Measures for Core Responsibilities
%	A. Performance Management (for employees who supervise others)	**Examples of Measures for Performance Management**: • Expectations are clear, well communicated, and relate to the goals and objectives of the department or unit; • Staff receive frequent, constructive feedback, including interim evaluations as appropriate; • Staff have the necessary knowledge, skills, and abilities to accomplish goals; • The requirements of the performance planning and evaluation system are met and evaluations are completed by established deadlines with proper documentation; • Performance issues are addressed and documented as they occur. • Safety issues are reviewed and communicated to assure a safe and healthy workplace.
%	B.	
%	C.	
%	D.	
%	E.	
%	F.	

____
100%

21. Special Assignments	22. Measures for Special Assignments
G.	
H.	

Optional

23. Agency/Departmental Objectives	24. Measures for Agency/Departmental Objectives
I.	
J.	
K.	
L.	

ADDENDUM – ORGANIZATIONAL CHART

This page is printed separate from the remainder of the Work Description/Performance Plan because it contains confidential employee information.

PART III – Employee Development Plan
25. Personal Learning Goals
26. Learning Steps/Resource Needs

Part IV - Review of Work Description/Performance Plan		
27. Employee's Comments:	Signature: Print Name:	Date:
28. Supervisor's Comments:	Signature: Print Name:	Date:
29. Reviewer's Comments:	Signature: Print Name:	Date:

EMPLOYEE WORK PROFILE

PERFORMANCE EVALUATION

Parts V, VI, VII, VIII, and IX are written or reviewed by the supervisor and discussed with the employee at the end of the evaluation cycle.

The following pages are printed separate from the remainder of the EWP because they contain confidential employee information.

PART V – Employee/Position Identification Information	
30. Position Number:	**31. Agency Name & Code; Division/Department**:
32. Employee Name:	**33. Employee ID Number:**

PART VI – Performance Evaluation	
34. Core Responsibilities - Rating Earned	**35. Core Responsibilities - Comments on Results Achieved**
A. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
B. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
C. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
D. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
E. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
F. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
36. Special Assignments - Rating Earned	**37. Special Assignments - Comments on Results Achieved**
G. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	

H. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	

38. Agency/Department Objectives - Rating Earned	**39. Agency/Department Objectives - Comments on Results Achieved**
I. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
J. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
K. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
L. ☐ Extraordinary Contributor ☐ Contributor ☐ Below Contributor	
40. Other significant results for the performance cycle:	

Part VII - Employee Development Results

41. Year-end Learning Accomplishments:

Part VIII - Overall Results Assessment and Rating Earned

An employee receiving an overall rating of "Below Contributor" must have received at least one Notice of Improvement Needed/Substandard Performance form during the performance cycle.

An employee who earns an overall rating of “Below Contributor” must be reviewed again within three months.

An employee receiving an overall rating of "Extraordinary Contributor" must have received at least one Acknowledgment of Extraordinary Contribution form during the performance cycle. However, the receipt of an Acknowledgment of Extraordinary Contribution form does not guarantee an overall performance rating of “Extraordinary Contributor” for that performance cycle.

42. Overall Rating Earned

- ☐ Extraordinary Contributor
- ☐ Contributor
- ☐ Below Contributor

Part IX - Review of Performance Evaluation		
43. Supervisor's Comments:	Signature: Print Name:	Date:
44. Reviewer's Comments:	Signature: Print Name:	Date:
45. Employee's Comments:	Signature: Print Name:	Date:

EMPLOYEE WORK PROFILE

AGENCY OPTIONAL SECTIONS

Confidentiality Statement:

I acknowledge and understand that I may have access to confidential information regarding [employees, students, patients, inmates, the public]. In addition, I acknowledge and understand that I may have access to proprietary or other confidential information business information belonging to [Agency]. Therefore, except as required by law, I agree that I will not:

- Access data that is unrelated to my job duties at [Agency];
- Disclose to any other person, or allow any other person access to, any information related to [Agency] that is proprietary or confidential and/or pertains to [employees, students, patients, inmates, the public]. Disclosure of information includes, but is not limited to, verbal discussions, FAX transmissions, electronic mail messages, voice mail communication, written documentation, "loaning" computer access codes, and/or another transmission or sharing of data.

I understand that [Agency] and its [employees, students, patients, inmates, public], staff or others may suffer irreparable harm by disclosure of proprietary or confidential information and that [Agency] may seek legal remedies available to it should such disclosure occur. Further, I understand that violations of this agreement may result in disciplinary action, up to and including, my termination of employment.

_____ _____

Employee Signature Date

Annual Requirements:

Activity	**Current? If so, date completed?**		
Required In-Service or other training	☐Yes _____Date	☐No	☐N/A
Valid Licensure/Certification/Registration	☐Yes _____Date	☐No	☐N/A
Employee Health Update	☐Yes _____Date	☐No	☐N/A

Essential Job Requirements (Indicate by each E = Essential, M = marginal, or N/A)

Physical Demands and Activities:

_____	Light lifting	<20 lbs.	Standing	_____	Sitting	_____	Bending _____
_____	Moderate lifting	20-50 lbs.	Lifting	_____	Walking	_____	Climbing _____
_____	Heavy lifting	>50 lbs.	Reaching	_____			Repetitive motion _____
_____	Pushing/pulling		Other	_____			

Emotional Demands:

_____	Fast pace _____ Avg. pace		
_____	Multiple priorities		
_____	Intense customer interaction		
_____	Multiple stimuli		
_____	Frequent change		

Mental/Sensory Demands:

Memory	_____	Reasoning	_____	Hearing	_____
Reading	_____	Analyzing	_____	Logic	_____
				Verbal communication	_____
				Written communication	_____
Other	_____				

APPENDIX F

GUIDELINES FOR DEVELOPING COMPETENCY-BASED SYSTEMS

INTRODUCTION

The Commonwealth's Compensation Management System focuses on the employee's contribution to the organization rather than relying solely on the assignment of job duties and responsibilities. Therefore, ***Competency Models*** compliment this philosophical premise by placing emphasis on behaviors, knowledge and skills that allow employees and the organization to be successful. Agencies wishing to consider establishing a ***Competency-based System*** are encouraged to use these guidelines; staff from DHRM should also be consulted.

For the past fifty years, the concept of "jobs" has been the focus of all human resource practices that affected recruitment, selection, performance planning, performance evaluation, pay systems, training and career development. Organizations have hired employees, evaluated performance, paid salaries, developed skills, and planned careers based on jobs.

In the 1990s, a new idea gained acceptance in a number of organizations that more closely aligned human resource practices with organizational strategies, missions and cultures. A number of organizations' switched from a traditional job-based structure to a competency-based structure that emphasized the development and attainment of behaviors, knowledge and skills compatible with and aligned to the organization's mission and business strategies.

The focus of ***competencies*** is centered on characteristics of the employee, including behaviors, skills and knowledge that can be demonstrated and positively affect the organization. ***Competencies*** emphasize the attributes and activities that are required for an organization to be successful. Therefore, human resource practices using ***Competency Models*** tap into the employee capabilities that are aligned to the organization mission and business need.

This appendix provides an introduction to ***Competency Models*** that when implemented in totality can impact all of the agency's human resource

practices including recruitment, selection, compensation decisions, performance planning, performance evaluation and career development. Additionally, this appendix is intended to provide agencies with broad guidelines for ***Competency-based Systems.*** Each agency using this approach must design its own system to meet its needs.

Like other alternative pay and job evaluation systems, a ***Competency-based System*** is fairly labor intensive and requires the agency's commitment to designate the necessary staff resources during the development stages. Agencies will also want to consider the financial and human resources required to administer such a system. Additionally, ***Competency-based Systems*** should not be perceived as a "one size fits all" approach. It would be highly unlikely, given the Commonwealth's workforce, that an agency would implement a ***Competency-based System*** agency-wide for the entire employee population. It is important that an agency identify the specific work unit(s) where competencies may be identified that directly and positively impact the success of employees and the agency.

What are Competencies?

Competencies are identified behaviors, knowledge, and skills that directly and positively impact the success of employees and the organization. Competencies can be objectively measured, enhanced and improved through coaching and learning opportunities. There are two types of competencies, ***Behavioral*** and ***Technical***. Depending on the purpose of the ***Competency Model***, one or a combination of these competency types may be used.

Behavioral Competencies are a set of behaviors, described in observable and measurable terms, that make employees particularly effective in their work when applied in appropriate situations. ***Behavioral Competency Models*** may be designed to describe common or "core" behaviors that are applicable to employees throughout an agency, or may be more narrowly defined to reflect behaviors unique to an ***Occupational Family*** or ***Career Group***.

An example of a ***Behavioral Competency*** follows:

Customer Focus – responds to other's needs appropriately and with a sense of urgency.

- Follows up with customers
- Makes self available to customers
- Responds quickly to the needs of customers
- Refers customers to the appropriate experts or resources
- Suggest ways of improving systems or processes to meet customer needs.
- Presents self as a credible, flexible and value-added business partner to all customers.
- Identifies situations in which consistency of services is appropriate as well as when flexibility is warranted.

Technical Competencies are underlying knowledge and skills, described in observable and measurable terms that are necessary in order for employees to perform a particular type or level of work activity. ***Technical Competencies*** typically reflect a career-long experience in an agency. An example of a ***Technical Competency*** for an expert level professional follows:

Technical Expertise – demonstrates depth of knowledge in technical and specialized areas.

- Works to become an expert in a technical and specialized area.
- Makes self available to help others solve complex technical problems.
- Uses a wide range and depth of technical and specialized knowledge.
- Is sought out as an expert by others.

The following are the different ways in which these descriptive statements may be formatted:

- **Single Stage Format** – competencies are defined more extensively in behavioral terms that illustrate the exact competency when it is performed proficiently. This type of format is compatible with a progressive rating scale. The following is an example of a single stage ***Behavioral Competency***.

Teamwork
The collaboration and cooperation of a group of employees to combine their talents to get the job done; this includes the wisdom to know when to ask for information or assistance, a positive attitude toward team members and customers, a sense of common goals, taking action which demonstrates consideration for the feelings and needs of others, and being aware of the effects of one's behaviors on others.

- **Multi-Stage Format** – competencies are defined in great detail over several stages. For ***Technical Competencies***, the stages may range from a beginning level; through a fully proficient performance level; to the highest level of expertise. For ***Behavioral Competencies*** the stages may describe an increase in the strength and impacts of behaviors. The following is an example of a multi-stage ***Technical Competency***.

Compensation Expertise		
STAGE 1	**STAGE 2**	**STAGE 3**
Learns the basic principles, practices, and techniques of compensation and job evaluation • Demonstrates basic understanding of how to write/update a position description • Demonstrates basic understanding of purpose & use of Career Group Descriptions in allocation of positions • Demonstrates basic knowledge of practices and policies that relate to compensation actions by responding to routine compensation questions	Fully & independently demonstrates knowledge of principles, practices and techniques of compensation and job evaluation • Demonstrates & applies understanding of evaluating position descriptions for allocation purposes • Evaluates job descriptions for compliance with FLSA • Applies compensation & related practices and policies to situations; participates in the design & provision of communications in agency • Recognizes and designs alternative strategies to meet the organization's needs • Demonstrates full understanding of exception issues & resolves policy questions • Seeks to improve possession of compensation expertise in others	Leads & influences compensation and job evaluation strategies to meet the agency's needs • Mentors & serves as a role model in compensation consulting to other professions • Consults & facilitates with others internal & external to the organization to gain acceptance of compensation proposals • Consults with customers & others beyond assigned customers to resolve unusual, sensitive, & exceptional compensation situations & appeals • Actively keeps informed & informs others of changes in laws, regulations, legislation, industry, governmental, budgetary and policy issues, trends and impacts on the agency compensation program

What is a Competency Model?

A ***Competency Model*** is a listing of ***Competencies*** that apply to a particular type of work. ***Competency Models*** can include ***Behavioral***

Competencies only, ***Technical Competencies*** only, or both. An example of a ***Competency Model*** for Human Resource Professional follows:

Human Resource Professional
Behavioral Competencies
• Agency Mission Focus
• Customer Focus
• Teamwork
• Consultation
• Achievement Orientation
Technical Competencies
• Compensation Expertise
• Recruitment/Selection Expertise
• Employee Relations Expertise
• Employee Benefits Expertise
• Training and Development Expertise

How are Competency Models used?

Competency models can serve as a way to integrate human resource practices under the Compensation Management System. Agencies that elect to use ***Competency Models*** need to consider exactly how they will be used to support the agency's mission and desired strategic outcomes, and determine the extent to which ***Competency Models*** will impact and affect the agency's human resource practices. The following is a list of human resource practices that should be taken into consideration when determining the purpose and intent of an agency's rationale for using ***Competency Models***:

- **Training and Development** – connection to agency business need is a major focus of ***Competency Models***. These models can serve as a tool to assess employees' current behaviors, knowledge and skills; identify learning areas for development and improvement and be used for career planning purposes.
- **Recruitment and Selection** – models can be developed to identify criteria for recruiting and assessing applicants for agency positions.
- **Performance Management** – models can be used to support the assessment of employee performance.

- **Compensation Decisions** – models can be developed to determine internal alignment and how pay will be administered based on defined competencies (e.g. starting pay, promotions, in-band adjustments, etc.).

What are the steps for developing Behavioral Competencies?

The following is a suggested approach, however agencies need to tailor the process to meet their business needs and objectives.

1. **Identify the group of employees to be covered:** The agency will need to determine if the ***Behavioral Competencies*** will apply to the entire agency, a specific ***Occupational Family***, or a ***Career Group***. The determination of the employee population to be covered should be based on similar work characteristics and shared common work behaviors.

2. **Gather data:** The agency will need to select a method or a combination of methods to collect behavioral information. Five approaches follow:

   - Behavioral Event Interviews (BEI) are individual interviews conducted with top performers throughout an agency or within an ***Occupational Family*** or ***Career Group***. A sufficient number of interviews should be conducted with the selected population to gather ample data to identify common behavioral themes and trends. During a BEI, the interviewee is asked to relate information about what he/she said, thought, and did in response to different work-related situations and issues.

   - Focus Groups are small group sessions with top performers and key managers in which data concerning work challenges and the necessary behaviors to address them are identified by the group and captured by a facilitator.

   - Benchmark Data from Outside Sources includes ***Behavioral Competencies*** from other organizations/agencies to determine the applicability to the employee population under consideration.

   - Commercially Developed Behavioral Competency Development Kits and/or Dictionaries developed by a number of vendors include competency toolkits that identify a variety of technical and

Behavioral Competencies defined in observable and measurable terms. Many of these vendors have included exercises that can be used to develop a ***Competency Model*** from pre-determined menus of competencies.

- Employee Surveys conducted with current agency employees to gather information about successful behaviors used by high level performers. The surveys can include employees throughout the entire agency or focus on a particular ***Occupational Family*** or ***Career Group***.

Data should be gathered using the method(s) deemed appropriate for the agency.

3. **Analyze data:** This is the most critical step in identifying ***Behavioral Competencies***. The focus should be on identifying recurring concepts and themes from the data collected, such as specific behaviors or words; thought patterns; ways of approaching situations; and underlying concerns/issues that contribute to the successful outcome or demonstration of a high level of performance. The key is to identify common themes or ***competencies*** (e.g. building consensus, fostering commitment, focus on customer service, etc.) and describe the behaviors that demonstrate possession of the particular ***competencies*** in observable terms.

4. **Review preliminary concepts:** All data should be reviewed in order to ensure that the themes and ***competencies*** are relevant to the identified employee population and indicative of a high level of performance. Validation can occur through focus groups comprised of employees in the study population or subject matter experts familiar with the work performed. Additional validation can occur through the administration of a survey of incumbents and/or key managers designed to identify the behaviors in the ***Competency Model*** that are most often observed and critical to success.

5. **Develop behavioral** indicators**:** Based on the themes and ***competencies*** identified in the data collection and analysis steps, write specific action statements that describe the behaviors in terms that would be observable to a rater. Behavioral indicators may be written in progressive stages (entry to expert) to identify the different levels of employee competency.

6. **Complete final draft of Behavioral Competencies:** Document the full set of ***Behavioral Competencies*** in a presentation format for validation meetings with managers, supervisors and employees associated with the function

What are the steps for developing Technical Competencies?

The following is a suggested approach, however, agencies need to tailor the process to meet their needs.

1. **Identify the group of employees to be covered:** The agency will need to determine if the ***Technical Competency Model*** will apply to a ***Career Group***, ***Role,*** or group of positions performing the same functions. The determination of the employee population to be covered should be based on similar work characteristics and shared common work behaviors.

2. **Establish job expert panel:** Identify four to five individuals that have backgrounds in the work area and are considered highly proficient in their line of work. Qualifications to consider are:
   - Strong performers
   - Individuals who have worked in a range of progressive career levels within a work function or occupational field
   - "First line" supervisors who have "come up through the ranks"
   - Include individuals who are knowledgeable about various specialized work areas

3. **Research background materials:** Identify resources that will be used in the development of the ***Technical Competencies***. Resources may include:
   - Employee Work Profiles
   - Career Group Descriptions
   - Work process descriptions/flow charts
   - Project assignments and goal statements from the functional area
   - Data generated by previous work analyses/skill assessments

4. **Identify key competencies:** Using a brainstorming process, identify the major knowledge and skill requirements necessary to meet the stated

work challenges and accomplish the required agency outcomes. These ***Technical Competencies*** typically appear initially as minimum hiring requirements, and develop in depth, breadth and complexity as an employee progresses to higher levels of work and expertise in the ***Role*** or ***Career Group***.

5. **Develop technical indicators:** For each ***Technical Competency***, develop the knowledge and skill indicators that are expressed in observable terms.

6. **Complete final draft of Technical Competencies:** Document the full set of ***Technical Competencies*** in a presentation format for validation meetings with managers, supervisors and employees associated with the function.

How are Competency Models validated?

After a ***Competency Model*** has been drafted, each behavior and technical component should be validated. There are multiple approaches to validation requiring input from employees, supervisors, managers or agency leaders. While key agency leaders may want to validate the behavioral components of the ***Competency Models***, it is critical to have functional supervisors and managers validate the technical components. Functional supervisors have a detailed knowledge of the work and its relationship to business needs.

Generally, the following questions are important in the validation of a ***Competency Model***:

- Does each competency describe the behaviors, knowledge and skills needed to perform the work?
- Are there any indicators written as task or activity statements that do not identify technical and/or behavioral requirements?
- If indicators are staged, do the higher level indicators represent clear advancement in behaviors, knowledge and skills?
- Are there any behavior, knowledge or skill requirements that have not been adequately captured in the Competency Model? Are there any redundancies?
- Are all indicators free from wording that reflects age, gender, race or cultural bias?

- Does each competency use clear and concise statements, terms and wording common and understandable to employees working in this capacity?

How are Competency Models linked to pay?

In the Commonwealth's Compensation Management System, employee compensation is based on an evaluation of the following ***pay factors*** (see Chapter 8 – Pay Practices):.

- Agency business need;
- Duties and responsibilities;
- Performance;
- Work experience and education;
- Knowledge, skills, abilities and competencies;
- Training, certification and license;
- Internal salary alignment;
- Market availability;
- Salary reference data;
- Total compensation;
- Budget implications;
- Long term impact; and
- Current salary

Competency Models can be used to help evaluate performance or to determine internal salary alignment and starting pay. Various formats may be used to determine actual employee pay rates. Formats can range from comprehensive inventories of individual competency ratings (see Human Resource Generalist Competency Model on DHRM's website) to pay matrices that reference a general evaluation of competencies and expertise. Comprehensive inventories provide detailed information that can be used for development purposes and simpler pay matrices can save time in determining pay.

With a comprehensive inventory including staged competency rating, an assessment form (or automated format) may be used. The feedback provider checks off indicator levels for each competency. This data results in a competency rating summarized into a total rating score, which is then mapped to a pay band (see Human Resource Generalist Competency Assessment material on DHRM's website).

A pay matrix is a point system in which points are accumulated based on educational level, work experience, and other value added compensable factors such as licensure, certification and specialized coursework that lead to a competency level. These pay matrices serve as a guide for determining pay for new hires and pay adjustments for current employees. Total pay matrix points are converted to a range of pay on the pay band. The total matrix points help identify internal alignment considerations and are used with the other ***pay factors*** to arrive at appropriate pay.

How are Competency Models linked to performance planning and evaluation?

Competency Models provide the supervisor and employee with a clear understanding of performance expectations, and address training and development activities necessary for successful performance. Models that include specific performance criteria ensure that supervisors and employees share the same understanding of performance expectations.

Most ***Competency Models*** require an employee self-assessment of their performance that provides input to the supervisor in their appraisal of the employee. Additionally, some may elicit performance feedback from other internal and external peers, direct reports and customers.

How are Competency-based System evaluated?

The final step in the development of a ***Competency Model*** is the design and implementation of an on-going evaluation plan to measure the effectiveness of the model's content and usage. ***Competency Models*** must be reviewed and modified periodically to reflect changes in desired behaviors and technical knowledge and skills that result from an evolving work environment. The evaluation plan, at the minimum, should include the individual(s) responsible for evaluating the ***Competency Model***, evaluation timelines and may follow the same process used to develop the original ***Competency Model***.

APPENDIX G

GUIDELINES FOR DEVELOPING SKILL-BASED SYSTEMS

INTRODUCTION

The Commonwealth's Compensation Management System has been designed to provide a direct link between organizational performance and employee contribution and pay. ***Skill-based Systems*** are one method of achieving this linkage. Agencies wishing to consider establishing a skill-based system are encouraged to use these guidelines; staff from DHRM should also be consulted.

Skill-based Systems reward employees for the range, depth and type of skills they possess that are key to the organization's work functions and operations. Additionally, ***Skill-based Systems*** may be used to directly link an employee's compensation to work-related skills learned and used on the job. As the needs of the organization change, compensable skills can be added or eliminated to encourage employee development to meet the changing business needs. ***Skill-based Systems*** represent a person-based rewards system, as opposed to a job-based reward system.

Agencies interested in developing a ***Skill-based System*** must identify what goal(s) they are seeking to achieve. Questions to consider are "what outcomes or results will be expected from implementing a ***Skill-based System***?" and "what skill sets are valued?". Some potential answers may be increased productivity, multi-skilled workforce, acquisition of new skills needed for a changing work environment, increased employee morale, or to solve a specific problem, issue or need.

In a ***Skill-based System***, the focus is on skill acquisition that can be observed and objectively measured. Therefore, this type of system is most commonly found in trades or labor settings. ***Skill-based Systems*** can be designed from two perspectives:

- horizontal or breadth of skills where cross training is emphasized (e.g. a multi-skilled trades worker possess electrical, plumbing, HVAC, and carpentry skills); and
- vertical or depth of skills where specialization and expertise is valued (e.g. an electronic technician possesses the entire range of electrical and electronic skills).

Skill blocks are identified sets of skills, knowledge and tasks that are required based on the work to be performed. ***Skill blocks*** focused on breadth of skills or the versatility of the individual tend to have an array of different categories of skills. ***Skill blocks*** that focus on the depth of skills or expertise in a particular area tend to have a more narrowly defined, specialized set of skills. Determining whether the ***Skill-based System*** will be based on breadth, depth or a combination is a key design decision.

Like other alternative pay and job evaluation systems, a ***Skill-based System*** is fairly labor intensive and requires the agency's commitment to designate the necessary staff resources during the development stages. Additionally, ***Skill-based Systems*** should not be perceived as a "one size fits all" approach. It would be highly unlikely, given the Commonwealth's workforce, that an agency would implement a ***Skill-based System*** agency-wide for the entire employee population. It is important that an agency identify the specific work unit(s) where observable and measurable skills may be identified and would contribute to the overall success of the work unit(s) and agency.

While there are many benefits to implementing a ***Skill-based System*** under the right circumstances, it is not totally free from potential risks. Poorly designed ***Skill-based Systems*** can lead to paying for skills that are not used or not relevant to the business needs of the agency. Employees may reach their maximum pay rates with the attainment of the entire set of identified skills which limits opportunity for further salary increase but allows for a fully skilled workforce. Paying employees based on skills attained and used makes it more difficult to make pay comparisons with the labor market that focuses on job-based rather than individual skill-based comparisons. Agencies will need to convert ***skill blocks*** into benchmark descriptions in order to continuously review and match ***salary reference data***.

What are skills and skill blocks?

Skills are the basic components of a ***Skill-based System***. These skills typically are grouped into ***skill blocks*** that include predefined set of skills, knowledge and tasks. When performed by employees, these ***skill blocks*** will add value to the work process and increase the likelihood of the work unit's success. Skills and ***skill blocks*** should be directly related to the business needs of the agency. Based on business needs, agencies should encourage employees in a ***Skill-based System*** to achieve the highest potential skill level required. As more ***skill blocks*** are acquired and are used, the potential value of the employee increases.

An example of a skill block follows:

DUMP TRUCK – SINGLE AXLE

A. Spreading Material

- Stone – Determine where stone is needed and spread in a manner that does not require additional work and equipment to level. Uses chain settings effectively to ensure proper application of stone.
- Asphalt – Spread material uniformly and ensure proper placement.

B. Hauling and Dumping Material - Determines appropriate dumping locations, hauls (with cover) and dumps in areas without damage to equipment.

C Snow Removal – Load spreader and plow on truck. Install chains, if required. Set appropriate settings on spreader. Pushes snow and operate spreader according to instructions.

D. Towing Equipment – Hook, unhooks and pulls and maneuvers light duty equipment.

E. Preventive Maintenance – Perform daily operator's checklist and rectify all minor problems determined while performing the checklist. Change oil, grease, change filters, keep all fluids at proper levels.

How are Skill-based Systems used?

Skill-based Systems can serve as a way to integrate human resource practices under the Compensation Management System. Agencies that elect to use ***Skill-based Systems*** need to consider exactly how they will be used to support the agency's mission and desired strategic outcomes. Furthermore, agencies will need to determine the extent to which this type of system will impact and affect the agency's human resource practices. The following is a list that should be taken into consideration when determining the purpose and intent of an agency's rationale for using ***Skill-based Systems***.

- **Training and Development** – connection to agency business need is the cornerstone to ***Skill-based Systems***. The agency's commitment to learning is vital to the success of the system. Employees must be given the

opportunity to acquire the knowledge and/or skills required for the progression through the ***skill blocks***. The skills identified within a ***skill block*** may serve as curriculum for training. Training plans should be well documented, include specific training objectives and communicated to employees.

- **Recruitment and Selection** - systems can be developed to identify knowledge and skills for recruiting and assessing applicants for agency positions.
- **Performance Management** - systems can be used to support the assessment of employee performance.
- **Compensation Decisions** – systems will determine how pay will be administered based on defined ***skill blocks*** and guide other pay decisions (e.g. starting pay, promotions, in-band adjustments, etc.).

What are the steps for developing Skill-based Systems?

The following is a suggested approach, but agencies need to tailor the process to meet business needs and objectives.

1. **Identify the group of employees to be covered:** This step consists of linking the business goals with the ***Career Group*** or agency work unit(s) that are most appropriate for a ***Skill-based System***. Typically, ***skill blocks*** are created to reflect the skills needed for employees in ***Career Group(s)***, ***Role(s)*** or functions within a ***Role***. ***Skill-based Systems*** compliment job and pay structures that have broad ***Roles*** and extended pay bands.

2. **Gather data:** Identify knowledge and skills that are important to the work unit(s) and can be objectively measured. The use of ***Focus Group(s)*** comprised of ***Subject Matter Experts*** (managers and employees) is the desired method to be used to identify skills and ***skill blocks***. It may be helpful to initially have the ***Focus Group(s)*** identify the tasks performed in the work unit(s) and then identify the skills needed to perform these work tasks. The "essential' tasks or skills should be explicitly identified, organized into ***skill blocks*** and rank ordered by degree of difficulty or complexity. Each skill must be clearly articulated to the point that verifiable measures or standards of performance can be established.

3. **Develop skill and skill inventories:** Based on the information identified in the data collection step, ***skill inventories*** are developed that list the discrete knowledge and skills needed to complete the required tasks. The ***skill inventories*** are helpful to both supervisors and employees for career development purposes and outline clearly how performance will be measured and assessed.

How are Skill-based Systems validated?

After the ***skill blocks*** and/or ***skill inventories*** have been developed, each skill should be validated. Functional supervisors that have a detailed understanding of the work and its relationship to business need should be asked to validate the accuracy of the identified ***skill blocks*** and/or ***skill inventories***. As business needs or skill requirements change, functional supervisors should provide input to modify the ***skill blocks*** and/or ***skill inventories***.

How are Skill-based Systems linked to pay?

In the Commonwealth's Compensation Management System, employee compensation is based on an evaluation of the following ***pay factors*** (see Chapter 8 – Pay Practices):

- Agency business need;
- Duties and responsibilities;
- Performance;
- Work experience and education;
- Knowledge, skills, abilities and competencies;
- Training, certification and license;
- Internal salary alignment
- Market availability;
- Salary reference data;
- Total compensation;
- Budget implications
- Long term impact; and
- Current salary

Using the ***skill blocks***, agencies determine which skills are compensable. Market data can be obtained to identify a sub-band or pay band to support a ***Skill-based System***. Once the sub-band or pay band has been established, the ***skill blocks*** can then be assigned to the continuum. Thus, the ***skill blocks*** become the unit measurement for pay increases within a sub-band or pay band.

There are a number of design options that should be taken into consideration when administering pay in a ***Skill-based System***. Progression through a ***skill block*** can be compensated by a variety of methods including constant dollar amount, increasing dollar amount, fixed percentage or increasing percentage amount. The timing of pay increases should also be considered. Oftentimes an agency will want to establish some limitations on the pay increase process in order to control cost. For example, a control measure may be to require the employee to remain at a skill level for a fixed period of time or another option would be for the agency to establish a policy that sets the maximum increase an employee may receive during a specific time period.

The timing of pay increases and any cost control measure has a significant impact on both employee morale and cost escalation. Consideration should be given to any other type of direct compensation awards the employee may be eligible for such as recognition awards, retention and market-based adjustments. Other compensation actions should support the goals and intent of the ***Skill-based System***.

Procedures must be developed for establishing starting pay for new hires and/or employees transitioning from a traditional pay and job evaluation system to a ***Skill-based System***. A key issue during the transition is how current employees will be moved to the ***Skill-based System***. Key implementation decisions such as how current employees will be paid initially under the system need to be determined (e.g. placed at the entry level or obtain an initial or baseline assessment certifying the employee's current skill level). Lastly, consideration must be given to how the agency will handle employees whose skills diminish (e.g. freeze employee's pay or reduce pay).

How is a Skill-based System linked to performance planning and evaluation?

Skill-based Systems provide the supervisor and the employee with a clear understanding of the performance expectations and clearly address the

learning activities that are necessary for successful performance. Additionally, this type of system helps supervisors and employees to share the same understanding of expected performance.

Agencies must determine the overall method for determining the employee's skill level. The process developed will serve as a way to certify that the employee has met all performance standards established for a ***skill block***. Evaluation methods to consider include checklists, skill demonstration or testing. Consideration must be given to the timing of the performance measure. Questions to be answered include: Will performance be measured at a designed time (annually, semi-annually, quarterly)? Will the employee be assessed on skills only one time or will the continued mastery of the skill be required?

After identifying a method for assessing the employee's skills, the next step is to identify who will assess the performance. Evaluators can be managers, technical and functional experts, peers or an assessment team with optional rotating membership. The evaluation of skills can be accomplished either by a paper or automated process.

How are Skill-based Systems evaluated?

The ***skill block(s)*** and pay mechanism that is established must make sense in terms of the goal the agency is seeking to accomplish and must be understandable to employees. An evaluation plan should be established and implemented to ensure that the ***Skill-based System*** is effectively meeting the agency needs and reflects the desired knowledge and skills needed by the agency.

APPENDIX H

DEVELOPMENT OF CAREER GROUP DESCRIPTIONS

Drafting Career Group Descriptions

The ***Career Group Team*** may order the sequence of drafting the ***Career Group Descriptions*** in the way deemed most appropriate. One approach is to begin with the description of the entry or most fundamental ***Role*** and progress upward to higher level ***Roles***. An advantage to this approach is that the entry level ***Role*** will provide the foundation for developing the higher level ***Roles***. Some job evaluation texts recommend writing the entry level first, then the highest level, and then the levels in between. The content of a ***Career Group Description*** is listed below (see the *Example of Career Group Description* at the end of this Appendix).

- **Concept of Work**

  This is a one paragraph general description of the type and kind of work typically performed by employees in the ***Career Group***. However, it is specific enough to distinguish one ***Career Group*** from another ***Career Group***. This concept summarizes the common elements and the range of ***Roles*** assigned to this ***Career Group***.

Concept of work: This Career Group consists of employees who provide support to program administration by creating or reproducing printed images of text and graphics. Applies knowledge of the necessary technologies in this area. Positions range from trainee and entry level to management level.

- **Matrix of Role Titles, Codes and Pay Bands**

  The ***Career Group Description*** includes a matrix listing the pay band assignment, ***Role Titles*** and ***Role Codes*** for both practitioner and management ***Roles***. It is possible for some practitioner and management

Roles to be assigned to the same pay band. This matrix illustrates the potential career progression within a given ***Career Group***.

PAY BAND	PRACTITIONER ROLES	*ROLE* CODE	MANAGEMENT ROLES	*ROLE* CODE
1	Printing Technician I	xxxxx		
2	Printing Technician II	xxxxx		
3	Printing Technician III	xxxxx		
4	Printing Technician IV	xxxxx	Printing Manager I	xxxxx
5			Printing Manager II	xxxxx

- **Role Descriptions**

Within a ***Career Group Description***, the ***Role Descriptions*** describe the range of work (from lowest to highest). These descriptions are the basis for allocating positions (using the ***Employee Work Profile*** or Position Description) to the appropriate ***Role***. The ***Role Descriptions*** are brief and provide capsule information as to the intended use of the ***Role***. The capsule description defines the range of work that might be performed within a ***Role***.

Since ***Roles*** are designed to describe a broad array of positions, there are ***Roles*** that combine staff level work with first-line supervisory work. Other ***Roles*** describe a range of positions that have entry to senior level work; and still other ***Roles*** describe positions with only one level of work. The following is an example of a ***Role Description***:

Printing Technician III
This Role is for fully skilled printing technicians whose duties range from operating various types of printing or copying equipment to being a first line supervisor of staff performing duties related to duplicating and producing printed documents. Duties may include Photolithography, Phototypesetting, as well as offset and xerographic printing.

- **Compensable Factor Matrix**

A ***Compensable Factor Matrix*** for each ***Role*** assigned to a ***Career Group*** is used to supplement the description of work. These matrices distinguish one ***Role*** from another based on the three compensable factors (***complexity of work, results*** and ***accountability***). For each compensable factor, a description of the range and level of the work assignments/activities performed by positions assigned to a particular ***Role*** are listed. A few ***Career Group Descriptions*** include multiple matrices where there are different

functional tracks within the same ***Role***. A sample of a ***Compensable Factor Matrix*** is illustrated below.

Printing Technician III		
COMPLEXITY	**RESULTS**	**ACCOUNTABILITY**
• Knowledge of lithographic printing and xeroxing techniques and equipment. • Has contacts with customers to discuss job orders. • Assignments range from preparing a single document for reproduction to producing complex reports, brochures and multi-colored documents to supervising those reproducing the documents.	• The materials (e.g., brochures, books, and reports) are reproduced according to job order.	• Independently resolves daily printing issues. Refers unusual issues to others. • May supervise the work of printers or technicians.

- **Standard Occupational Classification (SOC) System**

This section lists the relevant ***Standard Occupational Classifications (SOC)*** for some positions that are included in a particular ***Career Group***. The SOC System will be used for federal statistical reporting purposes. NOTE: SOC codes will be used at a later date after initial implementation. For additional information BLS and SOC web sites are:

http://stats.bls.gov/soc/soc_home.htm - general information
http://stats.bls.gov/search/soc_s.asp - detailed definitions: key work search
http://stats.bls.gov/soc/soc_majo.htm - detailed definitions: structure search

- **Career Group History**

The ***Career Group History*** is a concise statement that traces the development of the ***Career Group***, identifies the study that led to the publication of the ***Career Group Description*** and states the purpose of establishing or revising the ***Career Group***. It is important to include a chart that outlines the former class titles and pay grade assignments that are included in each ***Role***.

History

Previous Class Titles

Printing Technician I

CLASS CODE	CLASS TITLE	GRADE
61174	Printing/Bindery Worker	3

Printing Technician II

CLASS CODE	CLASS TITLE	GRADE
12043	Photocopy Technician	4
61156	Printing Press Operator A	5

Printing Technician III

CLASS CODE	CLASS TITLE	GRADE
12044	Photocopy Supervisor	6
61171	Bindery Foreman	6
61167	Photolithographic Stripper	6
61162	Phototypesetting Specialist	6
61157	Printing Press Operator B	6
61168	Photolithographer	7
61158	Printing Press Operator C	7
61184	Printing Services Supervisor A	7
61166	Phototypesetting Supervisor	8
61154	Press Foreman	8
61185	Printing Services Supervisor B	8

Printing Technician IV

CLASS CODE	CLASS TITLE	GRADE
61183	Printing Customer Services Specialist	9

Printing Services Manager I

CLASS CODE	CLASS TITLE	GRADE
61186	Printing Services Specialist C	10
61187	Printing Services Administrator A	11

Printing Services Manager II

CLASS CODE	CLASS TITLE	GRADE
61188	Printing Services Administrator B	13

Agency Review of Career Group Descriptions

When ***Career Group Descriptions*** are newly developed or revised, copies are distributed to agency Human Resource Directors for review and comment. All agencies that use the ***Career Group*** review the description to ensure that it accurately reflects and covers the type and level of work performed by their positions. This review allows agencies the opportunity to comment prior to the description being finalized. As part of their review, agencies should compare the concepts of the ***Roles*** to their positions to determine applicability and relevance.

A ***Career Group Description*** is valid when it represents the general nature of the work performed by a particular ***Career Group***. The Commonwealth's methodology for developing ***Career Group Descriptions*** uses current ***Role*** information derived from logical and authoritative sources (***Employee Work Profile***s/Position Descriptions, job specifications, job advertisements, Performance Plan, Subject Matter Experts, etc.). External sources may further confirm that ***Career Group Descriptions*** are consistent with standard occupational definitions (***Standard Occupational Classification System***, professional organizations, compensation organizations, government agencies, and accrediting agencies).

The ***Career Group Teams*** also validate ***Career Group Descriptions*** through identifying salary reference comparisons assigned to each ***Role***. This validation ensures that ***Roles*** are assigned to the appropriate pay band based on market information.

Reliability of the ***Career Group Description*** is measured in two ways, first through an agency's review of the accuracy of the description and then through the consistent allocation of positions to the same ***Career Group*** and ***Role*** over time. A ***Career Group Description*** is reliable when it presents a clear concept of the nature of work associated with a particular career or occupational field. Reliability is first tested during the drafting process when agencies are asked to check the allocation process using the draft ***Career Group Description***. The most accurate test of reliability is demonstrated when over time, different user agencies are able to consistently allocate similar positions to the same ***Career Group*** and ***Roles***.

Publication

The Department of Human Resource Management is responsible for publishing ***Career Group Descriptions***.

EXAMPLE OF CAREER GROUP DESCRIPTION

CAREER GROUP DESCRIPTION

Career Group Title: Printing Operations
Career Group Code: xxxxx
Occupational Family: Trades and Operations
Pay Bands: 1 – 5

Concept of work:
This ***Career Group*** consists of employees who provide support to program administration by creating or reproducing printed images of text and graphics. Applies knowledge of the necessary technologies in this area, range from trainee and entry level to management level.

Role Descriptions

PAY BAND	PRACTIONER ROLES	*ROLE* CODE	MANAGEMENT ROLES	*ROLE* CODE
1	Printing Technician I	xxxxx		
2	Printing Technician II	xxxxx		
3	Printing Technician III	xxxxx		
4	Printing Technician IV	xxxxx	Printing Manager I	xxxxx
5			Printing Manager II	xxxxx

Printing Technician I
- This ***Role*** is for employees responsible for completing basic physical tasks that support reproduction services or document finishing services such as cutting, binding, and folding.

Printing Technician I

COMPLEXITY	RESULTS	ACCOUNTABILITY
• Knowledge on how to operate folding, binding, collating and other finishing equipment. • On occasion talks to customer about job order. • Tasks have some variation and difficulty. • Applies existing procedures and guidelines in completing the runs or services.	• Finished documents are prepared according to job orders.	• For self-learning and development. • Refers questions and problems to higher levels.

Printing Technician II
This ***Role*** is for employees who are responsible for completing basic printing duties necessary to generate production runs of productions. This includes operating and performing routine maintenance on the machinery, as well as record keeping.

Printing Technician II

COMPLEXITY	RESULTS	ACCOUNTABILITY
• Knowledge of basic offset printing or photocopy equipment. • Has frequent contacts with customers to discuss job orders. • Assignments range from producing printed materials having routine technical requirements to copying a variety of materials and cleaning and maintenance of equipment.	• Produces printed material according to job requirements and application of existing procedures and guidelines.	• Running printing independently. • Refers questions to higher level.

Printing Technician III
This ***Role*** is for fully skilled printing technicians whose duties range from operating various types of printing or copying equipment to being a first line supervisor of staff performing duties related to duplicating and producing printed documents. Duties may include Photolithography, Phototypesetting, as well as offset and xerographic printing.

Printing Technician III

COMPLEXITY	RESULTS	ACCOUNTABILITY
• Knowledge of lithographic printing and Xeroxing techniques and equipment. • Has contacts with customers to discuss job orders. • Assignments range from preparing a single document for reproduction to producing complex reports, brochures and multi-colored documents to supervising those reproducing the documents.	• The materials (e.g., brochures, books, and reports) are reproduced according to job order.	• Independently resolves daily printing issues. Refers unusual issues to other. • May supervise the work of printers or technicians.

Printing Technician IV
This ***Role*** is for employees using the highest technical knowledge of printing in conferring with and assessing customer' needs, making recommendations, and writing job specifications to have the work produced within or outside the agency.

Printing Technician IV

COMPLEXITY	RESULTS	ACCOUNTABILITY
• Knowledge of technical resources of full range of printing services. • Knowledge of printing equipment, techniques, and materials. • Frequently consults with customers on problems that require technical and administrative skills. • Assignments range from assessing customers needs to advising on technical matter, (e.g. materials to use, format) and presentation to developing job specifications. • Tasks range from varied and moderately complex to substantial complexity.	• Customer is satisfied with the finished product, resolution of the problem, and the advice and support provide.	• Independently handles customers' problems and technical questions on printing services. • May orient and train others.

Printing Manager I
This ***Role*** is for employees who manage others in the performance of a wide variety of printing tasks. These responsibilities may be accomplished through subordinate supervisors and employees, or through contractors. May function as the charge printing position with financial and staffing responsibilities in an agency's complex printing operation, or as an assistant-manager in the largest most complex printing operations.

Printing Manager I

COMPLEXITY	RESULTS	ACCOUNTABILITY
• Knowledge of the principles of management. • Knowledge of printing production standards. • Frequently consults with other managers and staff on production or job quality	• Printing unit is delivering services to customers' satisfaction. • Job and unit costs are appropriate and unit's resources are within budget.	• Independently handles unit, customer, and employee problems. • Management and supervisory responsibility. • Trains and directs others.

problems, and vendors on costing issues. ● Assignments range from heading a full service-printing unit to preparing financial analysis and reports, job costing, to developing shop procedures. ● Tasks range from varied and moderately complex to substantial complexity. ● Presented with problems that do not have easy solutions.		● Financial and quality control responsibilities ● Expected to solve problems ● Serves as resource to others in resolving complex problems

Printing Manager II
This ***Role*** is for employees who manage others in the performance of a wide variety of printing tasks as the charge position in the largest and most complex settings. This will involve the management supervision of subordinate supervisors as well as technical employees and will include the normal range of managerial duties such as planning, budgeting, staffing, and evaluation.

Printing Manager II

COMPLEXITY	RESULTS	ACCOUNTABILITY
● Manages administrative and technical printing services. ● Knowledge of management principles and program administration. ● Frequently consults with major customers on complex job orders, outside printing contractors on cost and problem resolution, and management on policies and procedure development. ● Assignments range from management of a full service printing operation to planning for new technologies. ● Tasks range from varied and moderately complex to substantial complexity.	● Printing program and staff ensure services according to job orders. ● The program goals are met and the printing services operate within budget. ● Substantial impact.	● Oversee staff and administrative functions. ● Lead functional responsibility. ● Orients and trains others. ● Discretion and judgement in resolving program and staff problems. ● Serves as resource to others in resolving complex problems.

Statistical Reporting

Positions in this ***Career Group*** include, but are not limited to, those in the following Standard Occupational Classifications:

History

Previous Class Titles

Printing Technician I

CLASS CODE	CLASS TITLE	GRADE
61174	Printing/Bindery Worker	3

Printing Technician II

CLASS CODE	CLASS TITLE	GRADE
12043	Photocopy Technician	4
61156	Printing Press Operator A	5

Printing Technician III

CLASS CODE	CLASS TITLE	GRADE
12044	Photocopy Supervisor	6
61171	Bindery Foreman	6
61167	Photolithographic Stripper	6
61162	Phototypesetting Specialist	6
61157	Printing Press Operator B	6
61168	Photolithographer	7
61158	Printing Press Operator C	7
61184	Printing Services Supervisor A	7
61166	Phototypesetting Supervisor	8
61154	Press Foreman	8
61185	Printing Services Supervisor B	8

Printing Technician IV

CLASS CODE	CLASS TITLE	GRADE
61183	Printing Customer Services Specialist	9

Printing Services Manager I

CLASS CODE	CLASS TITLE	GRADE
61186	Printing Services Specialist C	10
61187	Printing Services Administrator A	11

Printing Services Manager II

CLASS CODE	CLASS TITLE	GRADE
61188	Printing Services Administrator B	13

APPENDIX I

EXCEPTIONAL RECRUITMENT AND RETENTION INCENTIVE OPTIONS

INTRODUCTION

The Commonwealth's Compensation Management System has adopted a number of ***Exceptional Incentive Options*** that may be implemented for specific positions, ***Roles*** and/or ***Career Groups*** that have significant recruitment and retention problems and are critical to the agency's mission and on-going operations. Recruitment and retention situations that require more extensive ***Incentive Options*** typically follow labor market practices in other industries where the Commonwealth competes for employees. It is important to recognize that when supply for specific types of employees is extremely low and demand is very high, these ***Incentive Options*** will place the agency in a more favorable position to recruit and retain qualified employees in critical positions.

The ***Incentive Options*** outlined in this Appendix are reserved exclusively for situations where employees are extremely difficult to recruit and retain and are intended to address staffing problems associated with employees entering or leaving state employment. Thus, they are not to be used in those situations involving recruiting and retaining employees from one state agency to another. Agencies may use these options individually or select a number of options to use in combination with each other. All salary actions require the consideration of the 13 ***Pay Factors***.

These ***Incentive Options*** may be used in conjunction with the Commonwealth's pay practices when appropriate, however, they extend above and beyond the pay practices outlined in Chapter 8. Additionally, agencies should take into consideration the ***Pay Factors*** when using ***Incentive Options***.

Agencies determine whether positions, ***Roles*** and/or ***Career Groups*** are to be provided these ***Incentive Options***. This determination is based on criticality to agency mission, significant recruitment and retention difficulties, and similarity to incentives used in the related labor market. Agencies choosing to use these ***Incentive Options*** must coordinate with their Cabinet Secretary

and notify the Department of Human Resource Management (DHRM). Agencies should decide on an internal approval process to access these ***Incentive Options***. It is imperative that agencies review and reevaluate the need to continue these ***Incentive Options*** at least annually based on market availability and the type of competition that exists in the labor market.

SIGN ON BONUS

Agencies may offer a ***Sign On Bonus*** of up to $10,000 to new employees who accept employment in positions, ***Roles*** and/or ***Career Groups*** where applicants are extremely difficult to recruit and retain and their functions are deemed critical to the agency's operation and mission. The new employee must agree to work for the Commonwealth and remain with the employing agency for a specified period of up to one year. Agencies must identify the positions eligible for the ***Sign On Bonus*** and establish a schedule of payment, either one lump sum payable at hiring or divided into two or more payments with final payment by the end of the agreed period. A formal written agreement, which includes requirements for satisfactory performance and duration of employment, must be executed with each employee outlining pay back terms if the agreement is not met.

RETENTION BONUS

Agencies may offer a ***Retention Bonus*** of up to $10,000 during a fiscal year (ending 6/24) to current employees in positions, ***Roles*** and/or ***Career Groups*** where applicants are extremely difficult to recruit and retain and their functions are deemed critical to the agency's operation and mission. These employees must agree to work for the Commonwealth and remain with the employing agency for a specified period of up to one year. The ***Retention Bonus*** may be paid as a lump sum or in scheduled payments. A formal written agreement, which includes requirements for satisfactory performance and duration of employment, must be executed with each employee outlining pay back terms if the agreement is not met.

PROJECT-BASED INCENTIVES

Agencies may offer project completion bonuses or milestone completion bonuses to employees occupying positions, ***Roles***, and/or ***Career Groups*** that present extremely difficult recruitment and retention problems for the agency and whose functions are deemed critical to the agency's operation and mission

and/or employees that work on and complete essential projects for the agency. Sustaining the projects must be critical to the agency's operation or mission. Payments for any one project or combination of project milestones shall not exceed $10,000 in a fiscal year (ending 6/24). Agencies must determine valid projects, identify participants eligible for the bonus, and develop project plan/milestones to identify the timing of payments.

COMPENSATORY LEAVE

Under the Compensatory Leave policy, agencies are authorized to provide ***Compensatory Leave*** under certain circumstances to employees who work extra hours. Agencies may extend indefinitely the time period for ***Compensatory Leave*** to be used by employees that occupy positions, ***Roles*** and/or ***Career Groups*** that are extremely difficult to recruit and retain and are critical to the agency's operation and mission. Agencies must document any extensions authorized and retain information in the agency files.

Additionally, agencies may pay off ***Compensatory Leave*** balances to this group of employees.

ANNUAL LEAVE

Agencies should negotiate the exact amount of ***Annual Leave*** that will be provided to the new employee at the start of employment and enter this amount into the leave system. A formal written agreement, which includes requirements for satisfactory performance and continued employment, must be executed with each employee outlining pay back terms if the agreement is not met. The employee must agree to work for the Commonwealth and remain with the employing agency for a specified period of up to one year.

Granting Leave

Agencies may provide up to 30 days (240 hours) of ***Annual Leave*** (per leave year – ending 1/9) to new and existing employees as an incentive to accept employment or retain employees in positions, ***Roles*** and/or ***Career Groups*** that are extremely difficult to recruit and retain and are deemed critical to the agency's operation and mission.

Advancing Leave

Agencies also have the option to advance some amount of ***Annual Leave***, up to 30 days, rather than granting an additional amount of ***Annual Leave***. For example, an agency may give a new employee two weeks (10 days) of ***Annual Leave*** at time of hire and the repayment of this leave would be outlined in the pre-employment agreement.

Paying Leave

Agencies have additional options for handling ***Annual Leave*** for employees who are granted or advanced the ***Exceptional Recruitment and Retention Leave***. Agencies may elect to pay off any accrued ***Annual Leave*** hours, negotiating with the employee the amount of leave balances to be paid. Agencies should encourage employees to retain an ***Annual Leave*** balance to cover unforeseen situations that may arise in which the employee may need to use this leave time.

REFERRAL PROGRAM

Agencies may implement a ***Referral Program*** in which agency employees working in a classified position are eligible to receive a payment of up to $1,500 for referrals which result in hiring external job applicants in difficult to recruit positions, ***Roles*** and/or ***Career Groups*** that are deemed critical to the agency's operation and mission. Eligible positions are those designated critical by the agency management that have not generated an acceptable applicant pools.

External job applicants are those who are not employed by any agency in any branch of Virginia state government. Referred applicants must not have an active job application on file with the agency.

Agencies have the option of expanding their ***Referral Program*** to include State employees both inside and outside of the agency or only making the program available to current agency employees. Additionally, agencies can decide if referring employees must be employed and working in the specific agency at the time in which the referral payments are due or be working for another State agency. All features of the ***Referral Program*** must be outlined in the ***Agency Salary Administration Plan***.

Agencies may determine the payment schedule, whether paid as a lump sum or several payments, for referral bonuses with final payment within one year of the hire date. For example, one half of the referral payment may be

paid once the applicant has been hired and begins work, with the remainder paid once the applicant completes the probationary period.

Under this incentive, hiring managers/supervisors and agency recruiting staff are not eligible to participate in the ***Referral Program***.

The following procedures shall be followed when implementing the ***Referral Program.***

1. The external job applicant must submit written notification of referral with application or resume.
2. The Human Resource office confirms referral in writing.
3. Once an applicant is hired and begins work, the Human Resource office obtains authorization for first referral payment and forwards to payroll.
4. When the employee (applicant) completes probation, or according to the established payment schedule, the Human Resource office authorizes subsequent referral payments and forwards to payroll.
5. If the referring employee is employed by another state agency, the funds for the referral payment(s), along with supporting information, must be forwarded to the employee's agency fiscal office. The referring employee's agency will make the payment(s) from these funds.

Exceptional Recruitment and Retention Incentive Options

for positions critical to the agency mission with significant recruitment and retention problems

03/01/01

Option	Guidelines	Relation to Pay Practices
Sign On Bonus	Up to $10,000 for new external employees agreeing to work for a specified period of up to one year. Payable as lump sum or scheduled payments , with final payment by the end of the agreed period. A formal agreement must be executed which includes requirements for satisfactory performance, duration of employment, and pay back if terms are not met. • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.
Retention Bonus	Up to $10,000 during a fiscal year (ending 6/24) for current agency employees agreeing to work for a specified period of up to one year. Payable as lump sum or scheduled payments. A formal agreement must be executed which includes requirements for satisfactory performance, duration of employment, and pay back if terms are not met. • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.
Project-Based Incentives	Project completion or milestone bonuses not to exceed $10,000 for any one project in a fiscal year (ending 6/24). Eligible projects and participants must be identified along with criteria and timing of payments. • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.
Compensatory Leave	Allows agencies to extend indefinitely the time employees have to use earned compensatory leave and/or to pay off compensatory leave balances .	Covered by revised Compensatory Leave Policy
Annual Leave	Agencies may grant or advance up to 30 days (240 hours) of annual leave during a leave year (ending 1/9) to new and existing employees as an incentive to accept or continue employment with the Commonwealth. The employee must agree to work for a specified period of up to one year. A formal agreement must be executed which includes requirements for satisfactory performance, duration of employment, and pay back if terms are not met. Agencies also may elect to pay off annual leave hours.	Covered by revised Annual Leave policy.
Referral Program	Agency employees eligible to receive payment of up to $1,500 for referral of candidates external to the Commonwealth's workforce if they are hired. Referring employees must submit written notification of referral with application/resume, then HR confirms. Referring employees must be working in a classified position at a state agency to receive payment. Agencies decide payout schedule for bonuses , with final payment within one year of the hire date. Hiring managers/supervisors and agency recruiting staff are not eligible. The Agency Salary Administration Plan will determine whether the referring employee must be employed in the agency in order to receive payment(s). • Coordinate with Cabinet Secretary • Notice to DHRM • Review yearly	Independent of and in addition to other pay practices and the Rewards and Recognition Policy.

All salary actions require the consideration of the following pay factors:

- Agency Business Need
- Duties & Responsibilities
- Performance
- Work Experience & Education
- Knowledge, Skills, Abilities, & Competencies
- Training, Certification, & License
- Internal Salary Alignment
- Market Availability
- Salary Reference Data
- Total Compensation
- Budget Implications
- Long Term Impact
- Current Salary

APPENDIX J

SURVEY SUMMARY DATA SAMPLE

ACCESS TO SALARY REFERENCE DATA (WEB)

Salary Reference Data is accessible, for registered users only, through a Department of Human Resources Management's (DHRM) web site. Information on the web site is proprietary and is subject to licensing agreements that restrict access to agency human resource employees whose responsibilities include collecting and analyzing salary survey data. Agencies must ensure compliance with this requirement when registering users.

The agency's human resource director must submit registration requests for access to the ***Salary Reference Data***. By this process, the agency human resource director certifies that designated users meet the criteria for access noted above.

Registration requests should be completed for each user and submitted by the agency human resource director via mail or fax. An electronic copy of the registration form is on the DHRM web site at http://web1.dhrm.state.va.us/itech/. Registration forms should be submitted to:

ITECH Security Administration; Department of Human Resource Management;
101 N. 14th Street/13th Floor; Richmond, VA 23219
FAX: 804-371-0230

After access is granted, the data may be reached at the web site listed above. On that web page, the user should select "Salary Survey" in order to enter the viewer.

Select Salary Survey Data

At this point, the user must enter the user name and password that were provided when access to the ***Salary Reference Data*** was granted. The user then clicks the Login "button" on the screen. From this point the user searches for the needed data by following the instructions on the screen.

Watson Wyatt Worldwide, an international consulting firm, provides much of the ***Salary Reference Data*** on the DHRM website. An example of WWW data appears below. The surveyed occupation is described at the beginning of the example. The Executive Compensation Service Levels (ECS) are explained in the table following the data.

SAMPLE

0300 - Accountant Global Grades: 9-13 – Prepares income and balance sheet statements, consolidated statements and various other accounting statements and reports. Analyzes financial reports and records, making studies or recommendations relative to the accounting of reserves, assets and expenditures. Reviews and verifies the accuracy of journal entries and accounting classifications assigned to various records. Conducts special studies and develops or recommends accounting methods and procedures. Instructs or assigns work to bookkeepers, accounting clerks and other employees engaged in general accounting activities. Coordinates accounting matters with other departments, locations and divisions. Utilizes computer to input, retrieve or display accounting information. ***See Level Guide B***.

Watson Wyatt Position Title=Accountant
ECS Code=0300
Location=Richmond-Petersburg, VA
Survey=Accounting & Finance

Analysis Type	ECS Level	Scope Grouping	# of Orgs	# in Position	Wtd Avg ($000)	Avg ($000)	25th Pctl ($000)	Median ($000)	75th Pctl ($000)	# of Orgs Rptg Salary Range	Avg Min ($000)	Avg Mid ($000)	Avg Max ($000)	Date on Source File
For-Profit Organizations			7	41	35.56	33.47	28.66	32.53	35.98	3	28.03	33.05	38.07	May 1, 2000
For-Profit Organizations			10	58	40.69	37.97	33.78	36.08	41.63	5	32.42	40.06	47.59	May 1, 2000
For-Profit Organizations			8	31	46.02	47.07	34.93	46.65	58.68	5	39.85	50.2	60.56	May 1, 2000
For-Profit Organizations			4	25	58.26	57.84	50.73	60.35	62.55	1	.	.	.	May 1, 2000

*The ECS Level Guide is on the next page.
**The Date on Source File column indicates the date the market data was collected. WWDS automatically ages the data displayed in the chart to the current date that it is viewed by the human resource employee. The aging factor is 0.35% per month from the date the data was collected (4.2% annual aging factor divided by 12).

(Sample of Watson Wyatt Data Service Level Guide)
Level Guide B

LEVEL GUIDE FOR FOUR LEVEL PROFESSIONAL POSITIONS

LEVEL	EXPERIENCE	KNOWLEDGE	RESPONSIBILITIES	USUALLY REPORTS TO
1 Entry	0-2 years professional experience. Entry level for employees with Bachelor's Degree or equivalent.	Knows fundamental concepts, practices and procedures of particular field of specialization.	Using established procedures and working under immediate supervision, performs assigned tasks. No administrative duties. Work is routine and instructions are usually detailed. Little evaluation, originality or ingenuity is required.	Lead Level
2 Inter-mediate	2-5 years professional experience. May be entry level for employees with Master's Degree.	Knows and applies the fundamental concepts, practices and procedures of particular field of specialization.	Under supervision, performs work that is varied and that may be somewhat difficult in character, but usually involves limited responsibility. No administrative duties. Some evaluation, originality or ingenuity is required.	Lead Level
3 Senior	5 - 8 years of professional experience. **Fully competent professional** - the first career level in the ladder (i.e., it is expected that all competent professionals will reach this level).	Possesses and applies a broad knowledge of principles, practices, and procedures of particular field of specialization to the completion of difficult assignments.	Usually works with minimum supervision, conferring with superior on unusual matters. May be assisted by Entry or Intermediate Level personnel. Assignments are broad in nature, usually requiring originality and ingenuity. Has appreciable latitude for unreviewed action or decision.	Lead Level or Middle Management
4 Lead	More than 8 years professional experience. Management is typically the next higher level.	Possesses and applies comprehensive knowledge of particular field of specialization to the completion of complex assignments.	Under general supervision, plans, conducts and supervises assignments. Reviews progress and evaluates results. Plans and assigns personnel for given projects or tasks. Assists with the review and evaluation of personnel performance. Interprets and applies organization policy. Recommends changes in procedures. Operates with substantial latitude for unreviewed action or decision. Reviews progress with management.	Upper Middle Management or Top Management

APPENDIX K

TURNOVER RATE COMPUTATION AND USAGE

INTRODUCTION

Turnover rates are an important indicator of possible staffing problems. Typically, they are used in combination with other indicators such as the duration of vacancies, starting pay rates, and ***Salary Reference Data*** to develop a more complete picture of the staffing situation.

Turnover rates can be developed for the state workforce as a whole, for an agency, geographic location, for an individual ***Role*** or ***SOC*** code or for any combination of these factors.

Turnover is computed by dividing the total number of separations during a period of time , such as a fiscal year:

Total Number of Separations
(Total Separations July 1, 2002 Through June 30, 2003)
e.g., 200

by ***average employment*** during the same period:

Average Employment
(# Employees July 1, 2002 + # Employees June 30, 2003) / 2
e.g., (10,000 +10,500) / 2 =10,250

The result is then multiplied by 100 in order to express the turnover rate as a percentage:

Turnover Rate

200 / 10,250 = .0195

.0195 x 100 = 1.95%

DHRM maintains a production report (PM3240 - Turnover by Role Report) that computes the ***average employment*** as employment at the beginning of the fiscal year plus employment at the end of the end of the fiscal year, divided by 2.

There are five categories of separations that are counted as turnover including resignations, retirements, removals, layoffs, and deaths. Transfers or promotions from one agency to another are not considered turnover since these moves benefit both the employee and the Commonwealth.

Resignations provide a better indication of staffing problems than do other separations such as retirements, removals or layoffs. Therefore, a resignation rate is computed by dividing total resignations by ***average employment***. The best indicator of staffing problems is the rate of resignations for better jobs (including those for higher pay, better working environment, higher level position, etc.), which is computed by dividing the number of resignations in this separation category by average employment for the same time period.

Caution must be exercised when turnover rates are analyzed. For example, certain kinds and levels of jobs are, generally, more susceptible to turnover than others (e.g., food or environmental services jobs). Also, resignations of a small number of employees may inflate turnover rates and make it difficult to draw conclusions.

A point of reference should always be used in order to put turnover rates into context. Typically, the rate for a particular occupation is compared to the rate for all jobs throughout the state. Comparisons may also be made between rates at different points in time, to see if the staffing situation has improved or deteriorated. It is important to remember that turnover rates are one factor in evaluating market conditions for an occupation and that judgment must be applied in using turnover statistics.

APPENDIX L

DESIGNING A SALARY SURVEY INSTRUMENT

TYPES OF SALARY SURVEY

Salary surveys typically are in written form if the number of jobs or the number of surveyed employers is large. Telephone surveys are effective for an individual job, if the number of employers surveyed is small and/or if the study must be completed with in a short period of time. Additionally, telephone surveys are preferred in instances where the jobs are unusual or complex since two-way communication assists in ensuring appropriate job matches. Facsimile (FAX) transmissions and electronic mail (E-mail) for written salary surveys is especially useful when time is limited.

FORMAT

There is no prescribed format for salary surveys. Rather each survey should be tailored to meet the specific purpose of the survey. If reported information indicates a questionable match, the organization should be contacted to clarify the date. There are several points that should be considered when designing the format of a survey:

- assign a code to each company surveyed and assure prospective respondents that their data will be kept confidential;
- identify each surveyed job by a ***Salary Reference Title*** or ***Work Title*** that is likely to be understood in he private sector or in other public agencies;
- include a brief definition or capsule description for each job being surveyed;
- exclude references to salaries or salary ranges in the survey instrument since this may lead some respondents to match salaries rather than jobs;
- obtain job title and the number of employees in the job from the respondents to assist in determining if it is an appropriate job match; and
- obtain from the respondent the degree of job comparison in indicating whether their job is:

Considerably Higher	Slightly Higher	Very Similar	Slightly Lower	Considerably Lower

CAPSULE JOB DESCRIPTION

The salary survey should include "capsule" descriptions of the work performed by the employee(s) being studied. Some important points include:

- include the nature and level of the work;
- organizational level and reporting relationship of the job(s); and
- description should be specific enough to enable the respondent to determine a reasonable match to the job

SALARY DATA ELEMENTS

Salary surveys typically ask respondents for the salary range and average (mean) salary paid to current employees. However, human resource professionals should understand the following salary terms and incorporate them into salary surveys as appropriate.

- **Salary Range** assigned to a job generally indicates its value to the organization. The spread (or width) between the minimum and maximum of the salary ranges may vary, depending upon the organization's salary structure.

- **Minimum Salary** is the entry level of pay for a job and is usually the hiring rate for applicants with minimum qualifications.

- **Hiring Rate** is the pay rate used for starting salaries for minimally qualified applicants. The hiring rate may differ from the minimum salary if market conditions require the employer to hire minimally qualified applicants above the range minimum. The hiring rate may be used as the minimum salary for survey purposes if the employer has no salary range.

- **Maximum Salary** is the highest salary that an employee may receive in a given job. The maximum salary is the highest value the employer has attached to the job.

- **Midpoint Salary** is the halfway point between the range minimum and maximum salaries. The midpoint salary is used to compare salary ranges of various widths and is one of the most helpful salary data elements used in surveys. Survey instruments usually do not ask for midpoint salary since

one can be easily calculated by adding the minimum and maximum salaries and dividing the sum by two.

- **Longevity Pay** is a supplement paid to long-term employees, regardless of their job performance. Some organizations incorporate longevity pay into their salary structures. DHRM does not consider longevity pay when analyzing survey data. Survey instruments should request respondents to exclude longevity pay from their responses.

- **Simple Average (Mean) Salary** includes the total salaries of all employees in a particular job divided by this number of employees. The single average (mean) salary is a good indicator of competitiveness because it relates, more than the range indicators, to the salaries that employees are actually being paid.

- **Median Salary** is a measure of central tendency that indicates the middle value in a range of salaries. The median salary has an equal number of salaries above and below it. In the case where there is an even number of salaries, the median salary is determined by averaging the two middle salaries. The median can be used if there are a large number of employers responding to the survey. An advantage of the median salary is that is reduces the statistical effect of extremely high or low salaries.

- **Percentiles** are values on a scale of one hundred that indicate the percent of distribution. The median is equivalent to the 50th percentile. Percentiles are useful in determining the agency's relative standing in the labor market. For example, if the average electrician's salary in an agency equates to the 10th percentile of electricians' salaries in a survey, this means that 90% of the electricians in the survey are paid as much or more than the agency's electricians. This would indicate that the agency should consider ways to increase their electricians' salaries. On the other hand, it may be appropriate far a new, inexperienced employee to be paid at the 10th percentile, just as it may be reasonable for a highly skilled and experienced employee to be paid, for example, at the 80th percentile.

- **Effective Date of Salary Data** should be obtained from all respondents of the salary survey. If the salaries are not reasonably current, they should be adjusted by an estimated percentage to account for market movement. This process is often called "aging" the survey data. DHRM will provide annually agencies with the aging factor for survey purposes.

- **Benefit and Pay Supplements** such as free housing, uniform allowance, meal allowances, on call and call back pay and shift differentials affect total compensation for some jobs and should be considered in determining market competitiveness for such jobs. For most studies, however, agencies do not need to include requests for benefits information in their salary surveys. DHRM periodically surveys employers to compare and analyze the competitiveness of the State's benefit package.

SAMPLE SURVEY FORMAT

PUBLIC RELATIONS DIRECTOR

This management position directs the public information activities of the organization and supervises a staff of radio, television, visual aides, publications, and communications specialists. Plans and supervises public relations functions; administers budget; coordinates work with other staff in the organization and representatives of the news media; reviews and approves projects and final drafts of publications. Normally requires a Bachelor's degree and considerable experience in journalism and public relations.

Title Used By Your Firm _____

Number Of Employees _____

Salary Range Minimum: $_____Per_____

Hiring Salary: $_____Per_____

Average Salary: $_____Per_____

Highest Salary Currently Paid: $_____Per_____

Salary Range Maximum: $_____Per_____

In terms of complexity of duties and level of responsibility, is your job: (Circle one)

Considerably Higher	Slightly Higher	Very Similar	Slightly Lower	Considerably Lower

Other Comments:

Non-Base Pay Options

(Excludes the Exceptional Recruitment and Retention Incentive Options)

4/25/05

Program / Practices	Guidelines	Type of Reward	Relation to Pay Practices
Employee Recognition	Lump sum payment up to $1,000 per fiscal year and up to 5 days leave per leave year for: • Achievements or accomplishments that contribute to the overall objectives of the agency and state government.	Monetary, Non-Monetary and Leave	Independent of and in addition to other pay practices. Covered by DHRM Policy # 1.20
Service Award	Rewards given to recognize an employee for length of state service in 5-year increments.	Non-Monetary	Independent of and in addition to other pay practices. Covered by DHRM Policy #1.10
Employee Suggestions	Lump sum payment or leave capped by the percentage savings generated.	Monetary and Leave	Independent of and in addition to other pay practices. Covered by DHRM Policy #1.21
In-Band Bonuses	Lump sum payment up to 10% of base salary per fiscal year in lieu of base pay adjustment for: • Change in duties* • Application of new knowledge/skills/abilities from education, certification, or licensure • Retention • Internal Alignment (bonus with required planning for permanent base pay adjustment)* *Where there are current budget constraints, this option allows for transition when agency needs time to develop funding to support base-pay salary adjustment. No In-Band Bonuses allowed for employees at the top of the pay band.	Monetary (Bonus amount applied towards 10% In-Band Adjustment cap per fiscal year) Exceptions to 10% cap may be requested from DHRM for cases that significantly exceed normal criteria as shown by the pay factors. Prior DHRM approval is required.	Substitutes for In-Band Adjustments (base pay changes) Covered by DHRM Policy #3.05.

All salary actions require the consideration of the following pay factors:

- Agency Business Need
- Duties & Responsibilities
- Performance
- Work Experience & Education
- Knowledge, Skills, Abilities, & Competencies
- Training, Certification, & Licence
- Internal Salary Alignment
- Market Availability
- Salary Reference Data
- Total Compensation
- Budget Implications
- Long Term Impact
- Current Salary

APPENDIX N – GLOSSARY

Accountability	This is one of three Compensable Factors (Accountability, Complexity of Work and Results) used for evaluating jobs in order to determine the appropriate Role to which a position should be allocated within a Career Group Description. Accountability describes the responsibility or authority exercised in terms of guidance, independence and autonomy of functioning and finality of decisions made. This Compensable Factor takes into account leadership, judgment and decision making and independence of action.
Agency Business Need	This is one of thirteen Pay Factors used for pay determination purposes. Agency Business Need describes the specific activities and organizational, financial, and human resource requirements that are derived from the agency's mission.
Agency Compensation Reform Transition Planning Checklist	This document is designed to assists agencies in the transition to the Compensation Management System on September 25, 2000. The Compensation Reform Transition Planning Checklist outlines issues that agency management should consider for the initial conversion and includes salary administration philosophy and policies; recruitment and selection process; performance process; pay practice implementation; program evaluation; internal appeals process; EEO considerations and agency communication plan. The checklist serves as a precursor for the development of the Agency Salary Administration Plan.
Agency Salary Administration Plan	This document outlines how agencies will implement the Compensation Management System and is the foundation for ensuring consistent application of pay decisions. The Agency Salary Administration Plan addresses the agency's internal compensation philosophy and policies; responsibilities and approval processes; recruitment and selection process; performance management; administration of pay practices; program evaluation; appeal process; EEO considerations and the communication plan. Agencies should review the plan periodically to ensure it's continued applicability to the agency's mission and organizational needs.
At Will Employees	This category of employees is broadly used to describe employees who are appointed by the Governor (employees in the Office of the Governor or Offices of Cabinet Secretaries). At the agency level, this term is used to describe employees who serve in the capacity of agency head, chief deputy or equivalent, or confidential assistant for policy or administration. These employees are typically appointed by the Governor, and agencies may not have more than three employees in the "at will" capacity including the agency head.
Behavioral Competencies	These are common or core behaviors described in observable and measurable terms that make Employees more effective in their

	work when applied in appropriate situations. Behavioral Competency Model may be applicable to Employees throughout an agency or more narrowly defined to reflect behaviors unique to an Occupational Family or Career Group.
Below Contributor	This is the lowest of three levels of ratings in the Performance Management Program. This rating level is described as "work that fails to meet the criteria of the job function". (See also Contributor and Extraordinary Contributor.)
Budget Implications	This is one of thirteen Pay Factors used for pay determination purposes. Budget Implications considers the short and long-term financial consequences of pay decisions and how salary dollars are managed by an agency.
Capsule Job Description	This brief description captures the work performed by Employees being studied when conducting a salary survey and includes the nature and level of work and the organizational level of the job. The Capsule Job Description should be specific enough to enable the respondent to determine a reasonable match to the job. (See Salary Survey.)
Career Group	This subgroup of the Occupational Family identifies a career path within a specific occupational field.
Career Group Description	This document specifies the nature, type and range of work associated with a particular Career Group; identifies the progression of Roles within a Career Group; and provides sufficient information to distinguish one Career Group from another. This description includes the Concept of Work; Matrix of Role Titles; Codes and Pay Bands; Role Descriptions; Compensable Factor Matrices; Statistical Reporting (Standard Occupational Classification (SOC) System); and Career Group History. Career Group Descriptions replace Class Specifications.
Career Group History	This section of the Career Group Description traces the development of the Career Group, states the purpose of establishing or revising the Career Group, and identifies the study that led to publication. For implementation purposes, the Career Group History identifies the transitional Crosswalk of the former job classifications to Roles.
Career Group Revision	This involves a study of jobs using salary data and the Compensable Factors and may result in jobs within a Role moving to a higher or lower Pay Band. With a Career Group Revision, the Career Group Description must be updated to reflect the changes in the assigned Roles and Employees in these Roles may have their salaries adjusted based on the rules governing Upward or Downward Role Changes.
Career Group Study	This process is for the purpose of periodically reviewing and identifying distinct Roles within a Career Group among a given population of Employees by collecting and analyzing data, developing Career Group Descriptions, and allocating positions.

Career Path	These paths are incorporated into the Career Group Descriptions, identify career progression and describe the skills and abilities required to move within a Role, to another Role and/or to a different Career Group or Occupational Family.
Classified Employee	Employees that are covered by the Virginia Personnel Act and include the majority of salaried individuals employed by the Commonwealth's Executive Branch. The Commonwealth's compensation policies and other human resource policies apply to Classified Employees.
Commonwealth's Compensation Philosophy	This is the formal statement of the basic goals and values of the Commonwealth's compensation program. The Commonwealth's Compensation Philosophy is to pay Employees in a manner sufficient to support and develop a high performance workforce that provides quality service in a fiscally responsible manner to the citizens of Virginia.
Compensable Factor Matrix	These matrices within the Career Group Description describe the level(s) of work performed in each Role in the Career Group and distinguish one Role from another based on the Compensable Factors.
Compensable Factors	This component of the Career Group Description is used to allocate a position to a Role in a Career Group based on these factors: Complexity of Work, Results, and Accountability. Replaces and consolidates the seven former factors: Complexity of Work, Supervision Given, Supervision Received, Scope, Impact of Actions, Personal Contacts, and Knowledge, Skills and Abilities.
Compensation Management System	This comprehensive system is developed for Classified Employees covered by the Virginia Personnel Act for implementation on September 25, 2000. The system shifts the emphasis from a position-based system to one that recognizes the Employee's contribution to the agency. The Compensation Management System includes a broad array of pay practices and emphasizes career growth.
Competencies	These are identified behaviors, knowledge, and skills that directly and positively impact the success of Employees and the organization. Competencies are used to determine internal alignment and how pay will be administered in Competency-Based Systems (see Behavioral and Technical Competencies).
Competency Model	This is a listing of Competencies that apply to a particular type of work. Competency models can include Behavioral Competencies only, Technical Competencies only, or a combination of both.
Competitive Process	This process includes recruitment for a vacant position and a competitive selection of an applicant or Employee.
Competitive Differential	These Differentials are administered as a percentage of base pay that may be added to the Pay Band to address a particular position, Work Title, Salary Reference Title or Role to address lack of competitiveness due to market conditions. (See Differentials.)

Competitive Salary Offer	This Pay Practice allows agency management to counter offer a higher salary offered by another state agency (internal) or an organization outside the Commonwealth (external), to Employees deemed critical to the agency's mission and operations. The Competitive Salary Offer may not exceed the job offer or the Pay Band maximum.
Competitive Salary Offer- External	This Pay Practice allows agency management to counter a higher salary offered by an organization outside the Commonwealth to an Employee deemed critical to the agency. The Competitive Salary Offer may not exceed the job offer or the Pay Band maximum.
Competitive Salary Offer – Internal	This Pay Practice allows agency management to make one counter offer to a higher salary offered by another state agency to an Employee deemed critical to the agency's mission and operations. The Competitive Salary Offer may not exceed the job offer or the Pay Band maximum. No further salary negotiations are allowed by either agency after this step.
Complexity of Work	This is one of three Compensable Factors (Accountability, Complexity of Work and Results) used for evaluating jobs to determine the appropriate Role to which a position should be allocated within a Career Group Description. Complexity of Work describes the nature of work in terms of resources used or encountered and the processes applied. This Compensable Factor takes into account the difficulty of work, scope and range of assignments, KSA's, and nature of contacts.
Concept of Work	This section of the Career Group Description provides a general description of the type and kind of work typically performed by Employees in the Career Group. The purpose of the Concept of Work is to distinguish one Career Group from another.
Consequence of Error	This is a job evaluation consideration for the Compensable Factor, Result. Consequence of Error addresses the potential costs of an Employee's mistakes in terms of financial and human costs, efficiency, morale, physical maintenance and image.
Contractors	Outside individuals or firms that are hired by the Commonwealth to provide services under the provisions of the Commonwealth's procurement policies. Contractors are not Employees of the Commonwealth.
Contributor	This is the second of three levels of ratings in the Performance Management Program. This rating is described as "work that is at or above the performance standards and meets the criteria of the job function throughout the rating period". (See also Below Contributor and Extraordinary Contributor.)
Crosswalk	The mapping document listing the conversion of job classes to Roles in the transition to the Compensation Management System.
Current Salary	This is one of thirteen Pay Factors used for pay determination purposes. Current Salary is the candidate's or incumbent's present base pay compensation, which may be reported as an hourly wage,

	weekly, semi-monthly, monthly or annual salary. It does not include shift differentials, benefits, overtime, incentive premiums, bonuses, commissions or other similar non-base pay compensation.
Demotion	This personnel action occurs when an Employee moves to a different position in a lower pay band. (See Voluntary Demotion and Disciplinary or Performance-related Salary Action.)
Demotion - Voluntary	This personnel action occurs when an Employee requests to move to a different Role in a lower Pay Band. A Voluntary Demotion can be achieved through a competitive or a non-competitive selection process. The Pay Practice for a Voluntary Demotion provides for the salary to be negotiated from the minimum of the lower pay band up to the Employee's current salary. If the current salary exceeds the new pay band maximum, the agency has the option to freeze the current salary for up to six months before reducing it to the new salary not to exceed the pay band maximum.
Deviation	This mathematical calculation is used in salary surveys to indicate the average relative distance between the market or competitor's salary data and the Commonwealth's salary data (minimum, midpoint, maximum, average salary, etc.). These calculations indicate the adjustment that would be necessary for the Commonwealth's salary data to be equal to the market.
Deviation – Negative	This calculation indicates the percentage that the Commonwealth's salary data (minimum, midpoint, maximum, average salary, etc.) is below the market data.
Deviation – Positive	This calculation indicates the percentage that the Commonwealth's salary data (minimum, midpoint, maximum, average salary, etc.) exceeds the market data.
Differentials	These are base pay adjustments to make salaries more competitive with the market and may be applied to Roles, Salary Reference Titles, Work Titles, and Pay Areas. (See Pay Areas, Competitive, and Out-of-State Employees Differentials.)
Differentials – Competitive	See Competitive Differential.
Differentials - Out-of-State Employees	These Differentials are applied to a specific state Employee, Work Titles, Salary Reference Titles, or Roles where pay rates are higher in different geographic regions of the United States and other countries.
Differentials – Pay Area (Northern Virginia /NOVA)	These Differentials are assigned to these localities in northern Virginia: Fairfax, Arlington, Prince William and Loudon Counties, and Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park cities. These variable differentials are based on the cost-of-competing in the northern Virginia area and are not cost-of-living allowances.
Difficulty	This is a job evaluation consideration for the Compensable Factor, Complexity of Work. Difficulty is the relative character of the work process and the corresponding, thinking, analysis and

	judgment required while performing the work.
Disciplinary or Performance-Related Salary Action	This Pay Practice is initiated by agency management for disciplinary or performance reasons. An Employee may be assigned to the same or different position in the same or lower Pay Band with less job responsibilities. The Employee's salary is reduced at least 5% salary and in no case can exceed the maximum of the assigned Pay Band.
Dual Track	This concept provides career growth and professional development to Employees by providing multiple career paths within a Role. Dual tracks allow supervisory and non-supervisory Employees to progress through the same Pay Band.
Duties and Responsibilities	This is one of thirteen Pay Factors used for pay determination purposes. Duties and Responsibilities describe the primary and essential work functions performed by an Employee or group of Employees. Variations in duties and responsibilities help distinguish one Employee from another for comparison purposes.
Effect of Services	This is a job evaluation consideration for the Compensable Factor, Results. Effect of Service considers the extent to which decisions and work products affect the level of service, quality of work, welfare of constituents, the organization's image, and cost of operations.
Employee	An individual employed by the Commonwealth. The term "Employee" (along with Supervisor, Manager and Faculty) is one of the four Level Definition Codes, and indicates an individual who has neither supervisory nor management responsibilities (Also see Supervisor, Manager and Faculty)
Employee Development Plan	This component of the Employee Work Profile describes personal learning goals, learning steps/resource needs, and year-end learning accomplishments.
Employee Initiated Pay Practices	These Pay Practices may involve salary negotiations between the Employee and hiring Manager and result from an Employee applying for a vacant position through a voluntary Competitive or Non-competitive selection process. (See Promotion, Voluntary Transfer and Voluntary Demotion.)
Employee Self Assessment	This tool allows an Employee to provide a self-evaluation to the Supervisor during the rating period.
Employee Work Profile	This document serves a dual purpose and includes the Employee's core responsibilities and special assignments and serves as the Employee performance plan. The Employee Work Profile is also the principle source document for allocating the position to the appropriate Occupational Family, Career Group and Role; used for individual development planning and for pay practice decisions. Each agency may develop it's own form that describes the position and the performance expectation, and includes certain required information. A prototype "Employee Work Profile" is provided.
Exceptional	These options may be applied when there are significant problems

Recruitment and Retention Incentive Options	with recruitment and retention of Employees critical to the agency mission and on-going operations of the agency and include: Sign On/Retention Bonus, Project-Based Incentives, Compensatory Leave extensions, additional Annual Leave, and Referral Program.
Extraordinary Contributor	This is the third and highest level rating in the Performance Management Program, and is described as "work that is characterized by exemplary accomplishments throughout the rating period and performance that is considerably and consistently well above the criteria of the job function". (See also Contributor and Below Contributor)
Faculty	Teaching and Research, and Administrative and Professional staff as defined in the Consolidated Salary Authorization who are employed in state higher educational institutions. This group of employees is not covered by the Virginia Personnel Act. The term "Faculty" (along with Employee, Supervisor and Manager) also functions as one of the four Level Definition Codes. (Also see Employee, Supervisor, and Manager)
Full Time Classified Employee	Classified Employees who are scheduled to work a minimum of 40 hours per week for at least nine months per calendar year. (See Classified Employee)
Grievance Procedure	A formal process for the resolution of employment disputes between state agencies and those Employees with access to the procedure. Through the grievance procedure, an Employee may bring work-related complaints to successively higher levels of agency management. If not resolved at the management level, grievances that qualify may be brought before an independent administrative hearing officer for resolution. A grievance must be written on a specific form and strict rules apply. The Department of Employment Dispute Resolution administers the grievance procedure for the Commonwealth's Executive Branch.
Hiring Range	A segment of the pay band included, at agency option, in job advertisements to communicate the salary the agency is willing or able to pay current or potential employees, and used exclusively in the hiring process. (See Salary Range.)
Hourly Employee	Employees who are seasonal or temporary and are paid by the hour and limited to 1500 hours of work per agency in a consecutive 365-day period beginning on the anniversary of their hire date. They are paid only for hours actually worked. Replaces the former term Wage Employees.
Impact	This is a job evaluation consideration for the Compensable Factor, Results. Impact describes the range of people, things, and organizations directly affected by the Employee.
In-Band Adjustment	This multi-faceted Pay Practice allows agency management the flexibility to provide Employees potential salary growth and recognizes career progression. An In-Band Adjustment allows for movement within a Pay Band for a Change in Duties,

	Professional/Skill Development, Retention and Internal Alignment**.** Increases granted cannot exceed 10% in a fiscal year for one or more of the reasons listed above and Employees' salaries cannot exceed the maximum of the Pay Band. A Lateral Role Change is also included in the 10% fiscal year maximum.
In-Band Adjustment – Change in Duties	This type of In-Band Adjustment may be granted to Employees for assuming new and significantly higher level duties and responsibilities that are critical to agency operations.
In-Band Adjustment – Internal Alignment	This type of In-Band Adjustment may be granted to adjust and align Employees' salaries proportionally based on the same or similar levels of training and experience; duties and responsibilities; performance rating; and levels of expertise, competencies and/or knowledge, skills and abilities.
In-Band Adjustment – Professional/Skill Development	This type of In-Band Adjustment may be granted when an Employee acquires and utilizes additional job-related training, education, certification and/or licensure that directly impacts and benefits the agency.
In-Band-Adjustment - Retention	This type of In-Band Adjustment may be granted to prevent Employees from seeking employment outside the agency in occupations that have high visibility in the labor market and where salaries may not be competitive with the market.
Independence of Action	This is a job evaluation consideration for the Compensable Factor, Accountability. Independence of Action describes the degree of latitude or freedom of action exercised by the Employee.
Internal Salary Alignment	This is one of thirteen Pay Factors used for pay determination purposes. Internal Salary Alignment is a fairness criterion that takes into consideration the proximity of one Employee's salary to the salaries or others who have comparable levels of training and experience; duties and responsibilities; performance; and knowledge, skills, abilities and competencies. (See also In-Band Adjustment – Internal Salary Alignment)
Job Analysis	A systematic, data-gathering study of the duties and responsibilities that comprise a job. The Job Analysis process seeks to obtain important and relevant information about the nature and level of work performed and the qualifications required by using the Employee Work Profile or position description, conducting interviews and reviewing other relevant information.
Job Evaluation Methodology	This is the process of taking information and data gathered in job analysis phase and comparing it to Career Group Descriptions and/or other jobs internal or external to the organization to determine the job's relative worth.
Job Evaluation Tools	A variety of job evaluation and employee-based tools may be used within the job organization structure (Career Groups and Roles) to assist agencies in meeting their organizational needs and determining movement within a Role and Pay Band. Job evaluation tools may include rank structures, factor comparison, point factor

	analysis, etc. and/or employee-based alternatives such as Skill and Competency Based Systems.
Job Organization Structure	The hierarchical arrangement of jobs based on the similar nature and type of work performed. The Compensation Management System's Job Organization Structure is organized at the highest level in Occupational Families, then Career Groups and most specifically into Roles.
Judgement and Decision Making	This is a job evaluation consideration for the Compensable Factor, Accountability. Judgement and Decision Making describes the types and kinds of decisions made by the Employee and the finality of such decisions and actions.
Knowledge, Skills and Abilities (KSA's)	This is one of thirteen Pay Factors used for pay determination purposes. Knowledge refers to acquired principles and practices related to a particular job; Skills refer to acquired psychomotor behaviors; and Abilities are the talents, observable behaviors or acquired dexterity. Together KSA's are the elements listed for job requirements, hiring qualifications or Employee credentials. Additionally, KSA's are a job evaluation consideration for the Compensable Factor, Complexity of Work and the application of acquired KSA's are essential to the In-Band Adjustment (Professional and Skill Development) pay practice.
Leadership	This is a job evaluation consideration for the Compensable Factor, Accountability. Leadership describes the level of control the Employee has over resources such as people, functions, facilities and budget.
Level Definition Code	The code used in the automated personnel system to describe the level of work assigned to a particular position. The four Level Definition Codes are Employee, Supervisor, Manager and Faculty.
Long Term Impact	This is one of thirteen Pay Factors used for pay determination purposes. Long Term Impact considers the strategic and financial effect of anticipated future salary costs, staffing changes, salary alignment among Employees, career growth and salary reference data changes.
Management Accountability	This concept describes the Manager's role in making salary decisions and includes justifying pay increases to senior management, explaining pay decisions to Employees and managing salaries within existing budgets.
Management Initiated Pay Practices	These Non-competitive Pay Practices allow agency management flexibility in making pay determinations that directly impact an Employee's compensation. (See Temporary Pay, Role Change, In-Band Adjustment, Disciplinary or Performance-Related Salary Action, and Competitive Salary Offer)
Manager	An Employee who is responsible for managing programs, resources (financial, organization, staff) and is accountable for the full range of employee related actions including hiring, pay determinations, performance and other work related issues. The term "Manager"

	(along with Employee, Supervisor and Faculty) is one of the four Level Definition Codes. This category of Employee can be identified by the assignment of a Management Role Title in the appropriate Career Group Description. (Also see Employee, Supervisor and Faculty)
Market Availability	This is one of thirteen Pay Factors used for pay determination purposes. Market Availability is the relative availability of suitable, qualified candidates in the general labor market that is subject to the changes in supply and demand.
Nature of Contacts	This is a job evaluation consideration for the Compensable Factor, Complexity of Work. Nature of Contacts describes work-related interactions within and/or outside the organization in terms of both frequency and the depth of information exchanged.
Non-Classified Employee	Employees not covered by the Virginia Personnel Act, as specified in Section 2.1-116 of the Code of Virginia. Non-classified employees include hourly, Judiciary and Legislative Branch employees, faculty employed in the Commonwealth's colleges and universities, employees of independent agencies and employees of the Virginia Commonwealth University Health System Authority and the University of Virginia Medical Center, and chief deputies and confidential assistants for policy or administration.
Non-Competitive Process	This process does not involve recruitment and selection and may be employee or management-initiated.
Northern Virginia Pay Area (NOVA)	This pay area is for designated localities in northern Virginia and includes Fairfax, Arlington, Prince William and Loudon Counties, and Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park cities.
Northern Virginia Differential	This is a variable differential based on the cost-of-competing in the northern Virginia area and not cost-of-living.
Occupational Family	This is a broad grouping of jobs that share similar vocational characteristics and the nature and type of work performed is the primary criterion for designation to a particular family. The Occupational Families include Administrative Services, Engineering and Technology, Applied Sciences and Natural Resources, Health and Human Services, Educational and Media Services, Trades and Operations, and Public Safety. Replaces the term Occupational Group.
Organizational Chart	Is a graphic representation of the structure of an agency or one or more of its work units, and portrays relationships among organizational units and the reporting structure of positions.
Part Time Classified Employees	Classified Employees who are scheduled to work a minimum of 20 hours per week, but less than 40 hours per week, for at least nine months pr calendar year.
Pay Action Worksheet	This form provides a means for Supervisors and Managers to document the justification and rationale for pay actions. Additionally, the Pay Action Worksheet may serve as a transactions

	document. Optional use – may be modified by the agencies.
Pay Area	The Commonwealth's pay plan recognizes two distinct pay areas (1) Statewide (SW) and (2) Northern Virginia (FP), where market conditions require the use of expanded pay ranges. The Statewide Pay Area (SW) applies to positions in all localities in the state except those designated in northern Virginia. The northern Virginia Pay Area (FP) applies to positions located in the counties of Fairfax, Arlington, Prince William and Loudon – and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.
Pay Band	See Pay Structure.
Pay Factors	These factors are considered by Managers for determining and justifying pay actions and include Agency Business Need; Duties and Responsibilities; Performance; Work Experience and Education; KSA's and Competencies; Training, Certification an Licensure; Internal Salary Alignment; Market Availability, Salary Reference Data; Total Compensation, Budget Implications; Long Term Impact; and Current Salary.
Pay Matrix	A tool to help Managers determine Starting Pay and evaluate Internal Salary Alignment. A Pay Matrix may be used to evaluate relevant education, length of relevant work experience, value added compensable factors such as certifications and quality factors when determining the salary offer to applicants or evaluating internal alignment of Employees.
Pay Practices	These practices provide the rules for setting and changing base pay compensation and include Starting Pay, Promotion, Voluntary Transfer, Voluntary Demotion, Temporary Pay, Role Change, In-Band Adjustment, Disciplinary or Performance-Related Salary Action, and Competitive Offer.
Pay Structure	The structure of Pay Bands established by the Commonwealth. This structure consists of 9 Pay Bands that are "stepless". Bands 1 – 8 have a range spread of approximately 105% between the minimum and maximum salaries. There is a 30.6% difference between the minimum salary in each Pay Band with the exception of the difference between Pay Bands 2 and 3. Pay Band 9 is for physicians that serve as facility or medical directors in Mental Health, and the band maximum is based on the market for these positions. (This structure replaces the former graded pay plan with salary grades an steps.)
Performance	This is one of thirteen Pay Factors used for pay determination purposes. Performance considers the Employee's previous and/or current work accomplishments or outcomes and behavioral interactions that are assessed as part of the Performance Management Program.
Performance Management Program	This program is designed to insure that increases approved by the Governor and the General Assembly can be appropriately distributed based on Employees' performance ratings. Features

	include 3 performance ratings, a 12-month probationary period for new Employees (extended up to 18 months under certain conditions), Employee self-assessment, and Employee feedback on Supervisor's performance. Additionally, options may include group or team performance evaluations, use of numeric weighting systems, and performance measures based on organizational objectives.
Placement under Layoff Policy	The assignment of an Employee to a position within the agency that is in the same or different Role in the same or different Pay Band, rather than placing the Employee on leave without pay-layoff or separated-layoff.
Position	Identifies a set of duties and responsibilities assigned to an Employee. A Position is assigned a specific number that is unique to a given agency. Additionally, a Position may be identified by 3 different titles (Role Title, Salary Reference Title and/or Work Title)
Position Allocation Interview	This procedure is used by the human resource professionals for the purpose of information gathering and includes interviewing the incumbent of a position and the Employee's Supervisor to clarify job content and relationship to other positions. Replaces the term Job Audit.
Position Allocation Report	This document provides the findings and recommendations of a Position Allocation Review. Replaces the term Audit Report.
Position Classification Method	A non-quantitative whole job evaluation approach that determines the relative value of positions by comparing them to other internal positions. The Commonwealth has adopted a modified version of the Position Classification Method.
Practitioner	An Employee who possesses specialized knowledge and is assigned to a Role that is predominately technical or supervisory in nature rather than a Management Role.
Promotion	This Pay Practice allows the advancement of an Employee to a different position in a higher Pay Band through a Competitive Selection Process. The salary negotiations for a Promotion may range from the minimum of the Pay Band up to 15% above the Employee's current salary.
Rating Levels	These three levels of performance in the Performance Management Program (Extraordinary Contributor, Contributor, and Below Contributor). (See also Performance Management Program, Extraordinary Contributor, Contributor, and Below Contributor)
Reassignment within the pay band	Action of agency management to move an Employee from one position to a different position within the same Role or Pay Band (formerly Lateral Transfer). Reassignments normally are based on agency staffing or operational needs. When an Employee is reassigned to another position within the same band, there is no change in base salary. If salary adjustments are needed, they may be addressed under the In-Band Adjustment pay practice. (See

	Placement Under Layoff Policy and Demotion and Voluntary Demotion)
Re-banding	This action involves the movement of a Role to a higher Pay Band due to extreme changes in the labor supply or market conditions. Such actions will occur infrequently because of the Pay Band structure.
Relevant Labor Market	A geographic location(s) that an agency competes with for specific groups of Employees (e.g. local, statewide, regional, national).
Reliability of Position Allocations	This test is measured in two ways: through the review of the accuracy of the Career Group Description, and through consistent allocation of positions to the appropriate Role. The true test of reliability is demonstrated when different user agencies over time consistently allocate similar positions to the same Career Group and Roles.
Restricted Classified Employees	Classified Employees whose positions receive 10 percent or more of funding from non-continuous or non-recurring funding sources (e.g. grants, donations, contracts, capital outlay projects, or higher education auxiliary enterprise revenues). (See Classified Employees)
Results	This is one of three Compensable Factors (Accountability, Complexity of Work and Results) used for evaluating jobs in order to determine the appropriate Role to which a position should be allocated within a Career Group Description. Result describes work outcomes; range and impact of effects; benefit or harm to citizens; gain or loss of resources and goodwill created. This Compensable Factor takes into account impact, effect of services and consequence of error.
Role	This is an array of similar jobs that are attributable to different levels of work or career progression through a Career Group. Roles are intended to be very broad with a single Role encompassing several former job classes. A Role is assigned to a specific Pay Band within the Pay Structure. Replaces the former term Class.
Role Change	This Pay Practice allows agency management to change a position to a different Role in a higher, lower or same Pay Band. Role Change replaces the term position reallocation. (See Upward Role Change, Downward Role Change and Lateral Role Change)
Role Change – Downward	This type of Role Change occurs when a position is changed to a different Role in a lower Pay Band. An Employee's salary remains the same. An agency may freeze an Employee's salary that is above the new Pay Band maximum for 6 months then reduce the pay to the Pay Band maximum.
Role Change – Lateral	This type of Role Change occurs when a position is changed to a different Role in the same Pay Band. The Manager may grant a pay increase from 0% to 10% as long as the salary is not above the Pay Band maximum. A salary increase due to a Lateral Role

	Change is counted towards the 10% fiscal year maximum for In-Band Adjustments.
Role Change - Upward	This type of Role Change occurs when a position is changed to a different Role in a higher Pay Band. The Manager may grant a pay increase from 0% to 10% as long as the salary is not above the Pay Band maximum.
Role Code	A unique number assigned to each Role for tracking purposes. Similar to the former term Class Code.
Role Description	This brief description identifies the range of work (from lowest to highest) within the Role in the Career Group, and is used for comparison purposes with the Employee Work Profile or position description to allocate a position to the appropriate Role.
Role Title	This is the formal State title assigned to the Employee's position, and should be used for State reporting purposes. The Role Title is one of three titles assigned to a position. (See also Salary Reference Title and Work Title)
Salary Administration Philosophy	The formal statement of the basic goals and values that guide the design, implementation and administration of the agency's compensation program. The Salary Administration Philosophy ensures that all compensation decisions are consistent with the agency's mission, goals, business objectives and culture.
Salary Range	The pay range assigned to a position for purposes of recruitment, Pay Practices, and compensation administration. A salary range may be the Pay Band; an Alternate Band; a Sub-Band; a Northern Virginia (FP) Expanded Range; or, for competitive recruitment actions, a hiring range, as determined by the agency.
Salary Reference Data	This is one of thirteen Pay Factors used for pay determination purposes. Salary Reference Data is a composite of relevant salary information (e.g. average salary range, median salary, weighted average salary, etc.) extracted from available surveys that indicate market pricing for various jobs in the Commonwealth.
Salary Reference Title	This is a descriptive title commonly used for salary surveying; and may be linked to the Standard Occupational Classification (SOC) System or a similar grouping. (See also Role Title and Work Title)
Salary Survey	This instrument is utilized to survey and assess available information on salaries for specific positions, Roles, Salary Reference Titles, and Work Titles.
Salary Survey – Capsule Job Description	See Capsule Job Description.
Salary Survey – Data Elements	These elements include Hiring Rate, Longevity Pay, Maximum Salary, Median Salary, Midpoint Salary, Minimum Salary, Salary Range, Simple Average (Mean), and Percentiles.
Salary Survey – Hiring Rate	This Data Element is the starting salary rate for applicants and may differ from the Minimum Salary if market conditions require employers to hire minimally qualified applicants above the range

	minimum.
Salary Survey – Longevity Pay	This Data Element is a supplement employers may pay to long-term employees, regardless of their job performance and usually is not considered in analyzing data in the Commonwealth.
Salary Survey - Maximum Salary	This Data Element describes the highest salary that an employee may receive in a job and is the highest value the employer has attached to the job.
Salary Survey – Median Salary	This Data Element describes a measure of the central tendency that indicates the middle value of a range of salaries and has an equal number of salaries above and below it.
Salary Survey – Midpoint Salary	This Data Element is the halfway point between the Minimum and Maximum salaries, and is used to compare various salary range widths.
Salary Survey – Minimum Salary	This Data Element describes the entry level of pay for a job and usually is the Hiring Rate for applicants with minimum qualifications.
Salary Survey – Salary Range	This Data Element is assigned to a job and usually indicates its value to the organization and describes the spread (or width) between the Minimum and Maximum salaries.
Salary Survey – Simple Average (Mean)	This Data Element is the total average salaries paid by all employers divided by the number of employers responding to the survey.
Salary Survey – Percentiles	This Data Element describes the values on a scale of one hundred that indicates the percent of distribution, e.g., 25th percentile, 50th percentile (Median), and 75th percentile.
Salary Survey – Weighted Average	The Data Element indicates the total salaries of all employees in a particular job, divided by the number of employees. It is a good indicator of competitiveness because it relates to the salaries that employees are actually being paid.
Scope and Range of Assignments	This is a job evaluation consideration for the Compensable Factor, Complexity of Work. Scope and Range of Assignments describes the breadth and variety of an Employee's assignments.
Skill-Based Systems	These systems may be used to directly link an Employee's compensation to work-related skills learned and used on the job. It is a person-based system as opposed to a job-based system.
Skill Blocks	These are predefined sets of skills, knowledge and tasks performed in a Skill-Based System. Once learned and demonstrated, they add value to the work process, increase the likelihood of the work unit's success, and may be the basis for a pay adjustment.
Skill Inventories	This list describes discrete knowledge and skills needed to complete the required tasks. Their identification is helpful for career development purposes and outlines how performance will be measured and assessed.
Standard Occupational Classification (SOC) System	The Federal government uses this system for statistical reporting purposes and for purposes of current and accurate occupational information, replacing the Dictionary of Occupational Titles

	(DOT).
Starting Pay	This Pay Practice is used to set the salaries of job candidates (new hire or rehire) to the Commonwealth's workforce. Agencies may offer a salary ranging from the minimum of the Pay Band up to 15% above the applicant's current salary. Salary offers may not exceed the Pay Band maximum and may be less than the applicant's current salary. Agency Heads may approve Starting Pay offers above 15%.
State Pay Plan	This DHRM publication is published annually and includes: the State Salary Structure; a schematic list of Career Groups and Roles by Occupational Family; and an alphabetical list of Career Groups and Roles. Replaces the former Compensation Plan.
Statewide Pay Area (SW)	This pay area is for all localities in the state except those designated in northern Virginia (Fairfax, Arlington, Prince William an Loudon counties, and Alexandria, Fairfax, Falls Church, Manassas, and Manassas park cities).
Statistical Reporting	A section of the Career Group Description that lists the relevant Standard Occupational Classifications (SOC).
Sub-Bands	Portions of an existing Pay Band that have a defined minimum and maximum salary within that Pay Band. A Sub-Band is a tool used to manage Employees' salaries within Pay Bands based on agency need.
Subject Matter Experts (SME's)	Individuals with expertise in a given occupational area who provide assistance in developing Career Group Descriptions or identifying competencies and skill blocks for Competency or Skill-Based Systems.
Supervisor	An Employee who affects, recommends or authorizes personnel actions; completes performance evaluations and assigns and reviews subordinates' work. The term "Supervisor" (along with Employee, Manager and Faculty) also functions as one of the four Level Definition Codes. This category of Employee is assigned to one of the Practitioner Role Titles in the appropriate Career Group Description. (Also see Employee, Manager and Faculty)
Supplements	Supplements are non-base pay payments that apply to specific positions designed to address unique needs of an agency. (See On-Call, Call Back, Shift Supplements, Camp Supplement, Medication Supplement, and Working Condition Supplement.)
Supplements – Call Back	This pay Supplement applies when the Employee is called back to work during non-work hours, and is paid a guaranteed minimum number of hours even though the Employee may work less than this minimum time.
Supplements – Camp	This pay Supplement applies to Employees for days spent at summer camp supervising the activities of mentally disabled children.
Supplement – Medication	This pay Supplement applies to Employees who have completed the required training for dispensing medication, but whose Roles

	typically do not require dispensing medication.
Supplements – On-Call	This pay Supplement applies when the Employee is required to be available to return to or perform work after normal work hours. On-Call typically is provided at a rate of one hour of pay or compensatory leave for an 8-hour shift. Non-exempt Employees are paid in accordance with the Fair Labor Standards Act if the on-call duty is deemed restrictive.
Supplements – Shift	This pay Supplement used by agencies that have 24 hours per day, 7 days per week operations. Shift Supplements are used to address the various work shifts (e.g. first, second, third, weekend) Employees may be assigned on a permanent or rotating basis.
Supplements – Working Conditions	This pay Supplement applies to Employees who have unusual risks that exceed the normal work environment for state Employees.
Survey Summaries	These summaries provide salary data on discrete jobs in the labor market and provide agencies with information that will enable them to target their salary increase dollars to specific Employees or groups of Employees.
Technical Competencies	These are underlying knowledge and skills described in observable and measurable terms that are necessary for performing a particular type or level of work activities. (See also Behavioral Competencies and Competencies)
Temporary Pay	This Pay Practice occurs when an agency assigns an Employee to perform different key (essential) duties on an interim basis. Additionally, Temporary Pay may be used for critical assignments associated with a special time-limited project. Employee's pay is adjusted from 0% to 15% when they are assigned different duties in a higher Pay Band. The Employee receives 0% to 10% above their current salary to assume additional duties in the same or different Role in the same Pay Band.
Total Compensation	This is one of thirteen Pay Factors used for pay determination purposes. Total Compensation includes all forms of cash compensation (e.g. base pay, shift differentials, overtime, on-call pay, bonuses, commission, etc.) and the dollar value of the employer-sponsored benefit package (e.g. health and dental insurance, long and short term disability, paid leave, retirement, life insurance, etc.).
Training, Certification and Licensure	This is one of thirteen Pay Factors used for pay determination purposes. Training refers to a specialized course of instruction outside the realm of recognized academic degree programs. Certification refers to a specialized course of study resulting in a certificate upon successful completion. Licensure refers to a licensing credential required by law to practice one's occupation.
Validity of Position Allocation	The test of validity of a Career Group Description is based on: (1) how accurately the description represents the work performed in a particular Career Group and (2) that current Role information is derived from logical and authoritative sources.

Variable Salary Increases	Varying salary increments (percentages or flat dollar amounts) that may be granted by Managers as specified in each of the Pay Practices.
Voluntary Demotion	This Pay Practice allows an Employee to voluntarily move to a different position in a Role in a lower Pay Band. The salary for a Voluntary Demotion is negotiable from the minimum of the lower Pay Band up to the Employee's current salary. If the Employee's current salary exceeds the maximum of the lower Pay Band, the agency has the option of freezing the Employee's salary for up to six months.
Voluntary Transfer	This Pay Practice applies when an Employee requests a move to a different position within the same Role or a different Role within the same Pay Band. Voluntary Transfers may be accomplished through a Competitive or Non-competitive Process.
Voluntary Transfer (Competitive)	This Pay Practice applies when an Employee moves to a different position through a Competitive Process within the same Role or a different Role within the same Pay Band. Salaries may be negotiated from the Pay Band minimum up to 15% above their current salary as long as the offer is not above the Pay Band maximum. In some situations the offer may be less than the Employee's current salary.
Voluntary Transfer (Non-Competitive)	This Pay Practice applies when an Employee moves to a different position through a Non-competitive Process within the same Role or a different Role within the same band. Salaries may be negotiated from the Pay Band minimum to 10% above the current salary as long as the offer is not above the Pay Band maximum. In some situations the offer may be less than the current salary.
Work Experience and Education	This is one of thirteen Pay Factors used for pay determination purposes. Work Experience and Education is the primary indicator of relevant employment history and academic qualifications of the Employee or applicant.
Work Title	This is an optional agency-specific or functional title that is descriptive of the overall purpose of a position. It is one of three titles assigned to a position. (See also Role Title and Salary Reference Title)

APPENDIX O

RECRUITMENT AND EMPLOYMENT GUIDELINES

THE INTERVIEW PROCESS:

Parts of an Interview

- Introduction
  - Establish rapport
  - Review selection process
  - Introduce interviewer/panel members

- Middle
  - Core questions
  - Specific questions

- End
  - Candidate's questions

Guidelines for Designing Interview Questions

- Is the question related to the selection criteria, job announcement and advertisement?
- Can it be easily understood?
  - Have you used nomenclature only understood in your agency?
  - Is the question too vague? Does it need to be more specific?
  - Is the question too long? Does it need to be broken into parts?

"Do Not…"

…ask applicants to attach photographs to applications;
…ask questions to determine citizenship or national origin;
…use race as a factor in determining job qualifications;
…ask questions regarding marital status, pregnancy, childbearing plans, or number or ages of children;
…ask about political affiliations;
…use military discharge as the sole factor in employment decisions;
…ask how old an applicant is;
…ask questions relating to an applicant's financial status;

…ask questions relating to an applicant's religion;
…require high school/college diploma unless there is a business necessity or requirement;
…require selected applicants to be a certain height or weight;
…allow bias for or against an applicant who has a friend/relatives working for the employer;
…ask about arrest records; or
…ask question related to handicap or make assumptions about Americans with Disability status

Types of Interviewing Questions

The following are examples of the types of interview questions that can help you determine if the applicant has the qualities needed to successfully perform the work of the position:

1. Background Questions

These are general inquiries concerning the applicant's background. They are based on information included in the application or resume. They should focus on the most relevant jobs and experiences. Examples:

- What were/are your major responsibilities and duties? Has there been any recent change in responsibilities?
- Did you have supervisory or management responsibilities?
- What did you like best about this position?
- What equipment did you operate?
- Why should you be chosen for this position?
- Describe the biggest challenge on the job where you succeeded and the biggest challenge where you failed.
- What additional strengths do you have that we haven't talked about?
- Describe the three most important events of your education and career.
- Tell me about three most important people in your education and career.
- Describe your most satisfying work experience.

2. Knowledge-based Questions

These are questions used to determine whether the candidate has the technical expertise to perform the job.

- What software applications have you used?
- Describe your knowledge of the State procurement process.
- Explain the steps used to develop nutritional plans for weight management.

3. Case/Scenario Questions

For this type of question, describe a situation to the applicant that they may encounter in a real-life work situation in the position and ask how they would react in a similar situation. In the absence of real experience in the area, this may help to determine technical knowledge and analytical and problem-solving abilities.

- What would be your first steps in establishing yourself as a manager of this section?
- You're in charge of inventory and you discover that a large amount of inventory is missing since your last count. What do you do?

4. Questions about Specific Job Requirements

These questions relate to whether the candidate is willing to accept certain unusual requirements of the job.

- Are you willing to work overtime on a regular basis?
- Are you willing to travel extensively?
- Are you willing to work specific hours?

5. Behavior-based Questions

Employers use behavioral interviewing to evaluate an applicant's experiences and behaviors and determine their potential for success in a particular job. The interviewer identifies desired skills and behaviors and then structures open-ended questions that will elicit a detailed response from the applicant. These questions assist the interviewer in making predictions about a potential applicant's future success based on actual past behaviors and reactions to specific situations. Behavior-based questions challenge applicants to provide concrete examples of their achievements and reactions in different types of work-related situations.

Such interviews are based on the belief that a job candidate's response to certain types of situations in the past are good predictors of how that person will respond in the future. Examples of behavioral interview questions include:

- Describe a time when you were faced with a problem at work that tested your coping skills. What was the situation and how did you respond to that situation? How did it work out?
- Give me an example of a time when you had to deal with a difficult customer and you were successful in handling the situation. Describe the situation, the person's reaction and how you addressed that customer concerns/issues. What was the result?

- Describe a situation when others you were working with on a project disagreed with your ideas. What were your specific ideas and how did you react to their feedback? What was the outcome?
- What has been your experience in giving presentations to small or large groups? What has been your most successful experience in speech making?

WRITTEN COMMUNICATIONS

Timely and appropriate written communication with potential job applicants reflects positively on the agency and the Commonwealth and strengthens the image of an "employer of choice". While the following examples of written communication to applicants are currently being used to varying extents, agencies have the flexibility to develop their communication strategy based on the availability of resources and the culture and mission of the agency.

- **Acknowledgement Letter:** It is important to notify applicants for employment that you have received their applications and/or resumes. The acknowledgement letter is the first official communication that the agency initiates with an applicant and should convey a positive impression of the agency and the Commonwealth as an employer.

  Example:

  Thank you for your interest in employment with <*agency name*>. We have received your application for <*position number and title*>. You will be contacted if you are selected for an interview. If you are not selected for an interview, we hope you will apply for future openings at <*agency name*>.

  I would encourage you to continue to review <*agency name*> job vacancies at <*agency's website address*> or statewide job vacancies on the Department of Human Resources Management's website http://jobs.state.va.us/.

- **Application Received Late:** Applicants who submit their applications and/or resumes after the job closing date should be notified that they will not be considered for the job vacancy.

  Example:

  Thank you for you interest in employment with <*agency name*>. We received your application for the position ***Work Title*** and/or ***Role Title*** after the closing date and therefore you will not be considered for this position.

  I would encourage you to continue to review <*agency name*> job vacancies at <*agency's website address*> or statewide job vacancies on the Department of Human Resources Management's website http://jobs.state.va.us/.

- **Position Not Being Filled:** Occassionally, an agency may decide not to fill a position either due to budget reasons or shifting priorities based on ***agency business needs***. All applicants should be notified that the job will not be filled.

  Example:

  Thank you for your interest in employment with <*agency name*>. At this time, <*agency name*> has decided not to fill the position that you applied for, ***Work Title*** and/or ***Role Title***.

  I would encourage you to continue to review <*agency name*> job vacancies at <*agency's website address*> or statewide job vacancies on the Department of Human Resources Management's website http://jobs.state.va.us/.

- **Position On Hold:** An organizational unit may decide to change some of the duties and responsibilities of a position that is already posted due to changes in ***agency business needs***. Job applicants should be notified that the agency is re-evaluating the job functions and that recruitment for the position has been suspended for a period of time.

  Example:

  Thank you for your interest in employment with <*agency name*>. Recruitment for the position that you applied for, ***Work Title*** and/or ***Role Title*** has been put on hold.

  I would encourage you to continue to review <*agency name*> job vacancies at <*agency's website address*> or statewide job vacancies on the Department of Human Resources Management's website http://jobs.state.va.us/.

- **Position Filled (Not Selected):** After an offer has been extended and accepted, a letter is typically sent to interviewed applicants notifying them that the position has been filled. This letter clearly informs the applicant that they were not selected for the job and thanks them for considering employment with the agency. Applicants are encouraged to continue their job search with the agency and the Commonwealth .

  Example:

  Thank you for your interest in employment with <*agency name*>. The position you recently applied for, ***Work Title*** and/or ***Role Title*** has been filled.

  I would encourage you to continue to review <*agency name*> job vacancies at <*agency's website address*> or statewide job vacancies on the Department of Human Resource Management's website http://jobs.state.va.us/.

- **Offer or Confirmation Letter:** The employing agency should send the candidate a written Offer Letter that at a minimum includes the expected start date, the salary (quoted on a semi-monthly basis for classified employees or an hourly rate of pay for hourly employees), and the ***Role*** and/or ***Work Title***. If appropriate, the Commonwealth's Probationary Period, applicable certification or training period, and/or any other conditions of employment (e.g., pre-placement drug testing; etc.) should be included. For positions that are "restricted" (grant funded), the Offer Letter should state the date of expiration for the position and any other restrictions (e.g., not eligible for severance benefits)

  It is imperative that the Offer Letter not give the appearance of an employment contract (e.g., guaranteeing employment for a particular period of time or use of an annualized salary). The term "classified" or "salaried" position should be used rather than "permanent" position. It is recommended that Offer Letters be sent from a central source (e.g., the Human Resource Department). Any questions regarding the exact wording of Offer Letters should be submitted to the Attorney General's Office for review. Additionally, the Offer Letter also serves as an official welcome to the agency and the Commonwealth.

  Example:

  I am pleased to confirm your employment as a <*title*> in the <*department name*>. Your employment is effective <*date*>. Your semi-monthly rate of pay, which you will receive on the 1st and 16th, will be <*$salary*>. As a new employee you will be required to serve a probationary period.

  Best wishes for a rewarding experience with <agency name>.

TIPS FOR COMMUNICATING WITH REFERENCES

The following are some tips that can be used for checking references:

- introduce yourself
- explain purpose of call and use of information
- offer copy of authorization to release information
- share pertinent information about the position and organization
- ask if failure to answer questions is an indication of problems
- listen carefully, probe for details.

SAMPLE
DEPARTMENTAL ORIENTATION CHECKLIST

Employee's Full Name:_____ SS#:_____

Department:_____ Department Contact:_____

Date of Hire:_____ Phone:_____

This checklist is designed to assist hiring departments and new employees with departmental orientation. Departmental representatives need to discuss the items below with new hires, then sign and date the back of this form to indicate completion.

DEPARTMENT	**Completed(√)**
Via Telephone with New Employee **(Prior to first day of employment)**	
Confirm first day/work hours	
Discuss dress code/uniform distribution	
Discuss payroll frequency	
Discuss parking arrangements	
Emphasize the importance of benefits/payroll appointment	
Obtain emergency contact phone numbers	

Department Arrangements **(Prior to first day of employment)**	**Completed(√)**
Introduce new employee to current employees by e-mail or letter	
Select current employee to assist new employee	
Assign 1st day/1st week checklist activities to appropriate staff	
Provide workspace and necessary office equipment/supplies	
Prepare department orientation agenda	

1st Day/1st Week	**Completed(√)**
Supervisor to greet new employee at start of first day	
Introduce new employee to current employee who was assigned to assist	
Accompany new employee to his/her office	
Review computer set up, log on, e-mail, data security	
Review phone number and phone system training, phone mail as applicable	
Discuss/distribute office supplies, staff directory, telephone directory, name plate, etc.	
Tour office/department (restrooms, break room, introduce to internal/external staff, identification/access card, and/or appropriate keys)	
Discuss communication opportunities - staff meetings, department meetings, newsletters, etc.	
Provide brief history of department	
Provide departmental/university organizational charts	

1st Day/1st Week	Completed(√)
Brief discussion of employee's role in department/agency (also discuss department's and agency's mission)	
Provide up-to-date written Employee Work Profile (job duties/scope, essential/non-essential employees) and performance expectations	
Discuss Performance Planning and Evaluation Process (general overview)	
Discuss time card, time clock or time sheet (if applicable)	
Discuss/provide reference for leave policies	
Discuss holiday schedule and process for requesting leave	
Discuss lunch/break periods	
Discuss training/educational opportunities/recommended reading	
Discuss tuition waiver/reimbursement–other educational opportunities (if applicable)	
Discuss safety and security/emergency conditions and response, such as: a. Fire, disaster preparedness, emergency/ bomb threat procedures b. Accident injury procedures c. Emergency dial 9+911 d. Inclement weather policy e. Universal precautions and HAZMAT (if applicable)	

Approximately 3 Months From Hire Date	Completed(√)
Consider conducting 3- Month Performance Evaluation (recommended)	
Discuss professional development opportunities	

Department-Specific Requirements/Notes - to be customized by each department

Completion of Checklist: (Both new employee and departmental representative must sign below indicating checklist information has been completed in full).

Employee:_____

Signature **Date**

Department Representative:_____

Signature **Date**

SAMPLE REFERENCE CHECK FORM	
Completed By:	Date:
Applicant's Name:	
Role of Position Applied For:	Position Number:
Person Contacted:	Phone Number:
Title:	
Name of Company/Organization:	

Information Verified	
Position Title;	Beginning Salary:
Employment Dates:	Ending Salary:
Duties:	
Training Completed and/or Required Degree/License Verified:	
Other Reference Information: Quality of work Timeliness in completing assignments Dependability Takes on extra responsible	
Would you rehire this individual? ❑ Yes ❑ No ❑ No Comment	
Comments:	

Signed:_____ Date: _____