

Virginia Tech
Salary Administration Plan
For Staff Employees
INTRODUCTION

Virginia Tech is committed to the continued success of the Commonwealth's Compensation Plan, which became effective on September 25, 2000. The plan enhances the university's ability to staff core operations and new initiatives, support employee development, recruit and retain highly qualified employees and reward them based on their performance and capabilities, and support the achievement of organizational goals.

I. EFFECTIVE DATE

The Virginia Tech Salary Administration Plan was initiated on September 25, 2000. It will be reviewed periodically to assure that it is serving the university's mission and organizational needs.

II. SALARY ADMINISTRATION PHILOSOPHY

Virginia Tech adopted, with minor revisions, the Compensation Philosophy included in the final report of the Commission on Compensation Reform. Virginia Tech will use compensation to support and develop high performance, reward commitment, build diversity, and promote quality service to the citizens of Virginia, Virginia Tech students and their parents, and the other public and private constituencies served by the University. The approach is based upon the following principles:

- Provide a base pay system that links employee performance to university and department mission and objectives;
- Provide market competitive compensation that incorporates both salary and non-salary benefits, such as healthcare, retirement, life insurance, disability insurance, annual and sick leave, and other optional benefits;
- Encourage employees to make a performance difference either individually or through teams;
- Provide employee reward and recognition programs that acknowledge employee contributions to the university, the department, or other organizational efforts;
- Provide opportunities for salary increases that encourage employees to gain demonstrable skills and competencies that are critical to the accomplishment of university or department missions; and
- Support efficient administration and sound management of the significant portion of the university's financial resources that are devoted to employee compensation.

III. RESPONSIBILITIES

The responsibilities and accountability for implementing and administering the Salary Administration Plan are outlined below. Specific approval authorities are defined in [Appendix A](#), Guidelines for Competitive Actions and Guidelines for Non-Competitive Actions.

A. University Staff Compensation Advisory Committee

An advisory committee will assist the university administration and Human Resources . Committee members include the fiscal and administrative officers or designated alternate from each senior management area, the Director of Budget Operations, the Vice President for Multicultural Affairs, the Vice Provost for Academic Affairs, the Assistant to the Executive Vice President, the Associate Provost for Academic Administration, and the Assistant to the President. The Assistant Vice President for Human Resources will chair the committee and Human Resources staff will provide information and support to the committee. More specifically, the committee will:

1. Participate in strategic planning for the University's Staff compensation program;
2. Recommend compensation policies and administrative processes for Staff employees;
3. Recommend communications and training strategies;
4. Review reports provided by Human Resources to assess trends, impacts and financial implications of staff compensation practices;
5. Form ad hoc committees to review specific compensation issues;
6. Develop a program evaluation plan; and
7. Assess Virginia Tech's Salary Administration Plan on an annual basis.

B. President/Provost/Executive Vice President

At the university's executive administrative level, the responsibilities are to:

1. Oversee establishment of the salary administration plan and designate levels of approval authority;
2. Approve and amend the Salary Administration Plan;
3. Approve and implement budget decisions and practices that support the staff compensation plan at the university level; and
4. Hold managers accountable for salary decisions and proper application of the Salary Administration Plan.

C. Vice Presidents, Vice Provosts, and Deans

At the senior administration level, the responsibilities are to:

1. Certify that management training has been provided;
2. Define the internal budget process to assure equitable and effective utilization of resources;
3. Establish a review and approval process within their college or vice presidential area that assures that compensation policies and administrative procedures are followed;
4. Review and assess EEO and other impacts of pay decisions across organizational units.
5. Approve pay actions in accordance with the established approval guidelines;
6. Foster approaches and philosophies that support employee development;
7. Develop appropriate internal employee recognition programs within the framework established by the university's policy and program guidelines; and
8. Review management reports provided to assess trends, impacts and financial implications.

D. Department Heads and Directors

This management level will:

1. Communicate information concerning the staff compensation program to supervisors and employees;
2. Comply with compensation policies and administrative procedures;
3. Assess salary priorities and departmental needs in developing and recommending or approving pay actions within established authority;
4. Assure that pay actions are supported by adequate funding;
5. Negotiate salaries with applicants and employees in consultation with Human Resources staff (if such authority has been delegated by Dean or Vice President);
6. Review reports regarding pay decisions;
7. Respond to employee questions and concerns about compensation decisions; and
8. Review EEO and other impacts of pay decisions.

E. Managers and Supervisors

Operating managers' and supervisors' responsibilities include the following:

1. Participate in training.
2. Review job description, performance and development plans, and provide regular feedback on performance to each employee;
3. Comply with Federal and State wage and hour and equal opportunity laws and regulations;
4. Recommend pay actions and role changes to upper management;
5. Participate in the salary negotiation or recommendation process if so designated, providing supportive information and documentation;
6. Communicate information about the pay plan to employees and respond to employee questions;
7. Encourage and coach employees on developmental needs and provide training opportunities and time to participate; and
8. Consider EO and other impacts of salary recommendations.

F. Human Resources

University Human Resources is charged with the following responsibilities:

1. Plan, develop, implement, and monitor organization-wide human resource programs, including compensation and performance management, and ensuring adherence to policies and program requirements;
2. Provide on-going training and communicate to managers and employees on new compensation and performance management programs;
3. Develop and maintain current job analysis and job description information, assuring consistency in utilization of roles and bands across the university;
4. Provide management reports and data needed for effective program review and control (see [Appendix B](#) for listing of reports);
5. Provide market data, and supplement state data with additional market surveys;
6. Ensure compliance with Federal and State wage and hour and equal opportunity laws and regulations;
7. Develop and implement guidelines for employee reward and recognition programs;
8. Provide consultation to all levels of management on compensation issues;

9. Provide guidelines for decentralized approvals, and review and approve those actions not decentralized;
10. Provide tools, reports, and resources, including internal and external salary data, to manage compensation decisions;
11. Identify trends, potential impacts, and workforce planning issues, and bring to management's attention;
12. Administer processes to obtain employee and supervisory feedback about their perceptions of the effectiveness of all aspects of the plan, including communications and training;
13. Facilitate process for responding to employee requests for reviews as needed;
14. Evaluate the compensation system, and bring issues for discussion to the Compensation Advisory Committee, university administration, and Commission on Staff Affairs; and
15. Participate in state-level compensation design efforts.

G. Employees

Each employee also has responsibilities under the new compensation plan, including to:

1. Be informed about the staff compensation program;
2. Attend applicable training and informational workshops;
3. Take ownership for individual performance and development, and ask for feedback on performance and developmental opportunities; and
4. Participate in the development of the Employee Work Profile.

IV. RECRUITMENT AND SELECTION

Market availability, market data, recruitment/turnover data, and criticality of the positions to significant university operations or initiatives are used to determine the university's market position. The recruitment strategy will comply with state employment policies and is determined by the applicable recruitment market, projected availability of applicants in the appropriate recruitment area, availability of qualified internal candidates, and the university's Affirmative Action Plan objectives. The specific advertising media, the content, and the format of recruitment materials will vary based on the above considerations.

- A work title will normally be used in all media, and the formal role title will normally be used as well for university published listings, including electronically distributed materials.
- The advertised salary will vary based on the recruitment strategy. Normally, either a hiring range or a starting salary will be stated in the university listings. The pay band will always be indicated, and the minimum and maximum pay band salaries will be included in the university listings.
- The recruitment strategy, use of titles, ad content, and use of salary indicators will be coordinated with the Human Resource Consultant assigned to the department. Using the relevant pay factors, a hiring range will be determined as part of the recruitment strategy, and it may be posted or used as an internal reference to guide salary negotiations.

V. PAY PRACTICES

Virginia Tech will not develop more specific or standardized percentage limits or policy requirements beyond those outlined in the DHRM policies and Human Resource Manual, with the exception of the pay practices established for non-competitive transfers (voluntary or reassignments) as noted below. The Virginia Tech Pay Practices chart is included in [Appendix C](#). Guidelines for Competitive and Non-Competitive Actions were developed and disseminated to departments; the guidelines define authority, approval requirements, and appropriate Human Resources forms for justifying and initiating the actions. The guidelines are subject to revision; and all revisions, as made, will be distributed to university departments. All appropriate pay factors will be considered in determining hiring ranges and individual pay decisions. Market availability, market data, recruitment/turnover data, and criticality of the positions to significant university operations or initiatives will be used to determine the university's market position for specific occupations or types of positions. External labor markets, internal equity concerns, sustained employee performance, importance of the position to the department, and availability of financial resources influence an individual's pay.

A. Starting Pay, Promotions, and Competitive Transfers/Demotions

Salary offers will be based on analysis of the total compensation package, which includes benefits, not just the salary component. There may be geographic differences in pay, which are also considered. The Human Resource Consultants provide guidance and information to assist with the determination of an appropriate offer. The selected candidate's current or most recent salary must be confirmed before beginning salary negotiations. This may be done through reference checks or by asking the candidate to provide a copy of the most recent pay stub or salary record; for university employees, the current salary may be obtained from the HR Consultant.

Normally the salary negotiation process is the responsibility of the department head or designated hiring authority. Approval guidelines ([Appendix A](#)), which define the level of approval authority for different pay actions, have been established for all non-competitive and competitive actions, including new hires, promotions, and competitive transfers and demotions. The hiring authority must assure that there is sufficient budget to fund the requested salary or must work within the appropriate senior management area to secure funding prior to making a formal offer.

Each senior management area may define additional review or approval steps to supplement those outlined in the Guidelines for Competitive Decisions. Human Resources approval is required for some actions as noted in the approval guidelines.

The Pay Action Request form ([Appendix E](#)) is used to justify the request and obtain required approvals. This form will become part of the official employee record maintained in Human Resources.

B. Non-competitive Transfers (Lateral) and Demotions

Non-competitive transfers (lateral transfers to positions in the same pay band), regardless of whether the movement was initiated by the employee (voluntary transfer) or the manager (reassignment), will not result in a salary increase. Managers who feel that the movement to a different position warrants an increase in salary must make the request through the in-band adjustment process. Voluntary non-competitive transfers and demotions may also result in a decrease in salary based on consideration of the relevant pay factors. When an employee obtains a voluntary demotion, the pay may not exceed the maximum of the pay band.

C. In-Band Adjustments

Guidelines have been established for an analytical process and approval requirements for in-band adjustments and role changes. A periodic review for any base adjustments under the inband adjustment or role change process will be scheduled once a year to support the annual performance evaluation and university budget cycles. The specific date each year will be determined by Human Resources in consultation with the university administration and the Compensation Advisory Committee, and the timetable will be announced. Under urgent or exceptional circumstances, requests for off-cycle reviews may be submitted to Human Resources with the concurrence of the Dean or Vice President. The purposes of the scheduled review processes are to:

- Assure a consistent process across the university;
- Provide a mechanism to conduct impact analyses within and across areas before pay actions are approved;
- Provide an opportunity for the salaries of all employees in a department, college or vice president area to be considered at the same point in time and in comparison with each other;
- Assure administrative efficiency in reviewing and processing pay actions;
- Facilitate analysis of budget impacts; and
- Facilitate a long-term compensation and workforce planning process.

In-band adjustments will require documentation of the rationale for the increase clearly linked to one or more of the following reasons: change in duties, professional/skill development, retention, and internal alignment. All relevant pay factors are considered. In-band adjustment decisions will be made at the Dean or Vice President level, with approval by Human Resources. Human Resources will serve as a consultant to each department and will provide internal and external salary data, relevant comparative analyses and guidance in the process. Actions determined by Human Resources to have impact beyond the requesting unit(s) will require a further review, and may involve the formation of an ad hoc task force with representatives from the affected areas and others identified by the Assistant Vice President for Human Resources. A Dean or Vice President may also request a broader review prior to approving recommendations.

D. In-band bonuses

In-band bonuses provide 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. In band bonuses will require documentation of the rationale clearly linked to one or more of the following reasons: change in duties, professional/skill development, retention, and internal alignment.

In-band bonuses will normally be considered as part of the in-band adjustment process. The bonus is normally paid in a lump sum but may be spread over several pay periods at the request of management. The approval process is the same as the in-band base pay adjustment process.

Under exceptional circumstances, requests for off-cycle bonuses may be submitted to Human Resources with the concurrence of the Dean or Vice President.

E. Role Changes

Requests for role changes will normally be handled in the scheduled review cycle described for in-band adjustments; however, a request may be handled off-cycle with the concurrence of the Dean or Vice President. Role changes will normally not have a retroactive effective date.

F. Temporary Pay

The temporary assignment of new responsibilities often provides an opportunity for professional development and skills enhancement. Before assigning the temporary duties, the manager should consider whether other employees might benefit from the opportunity, if it is feasible to rotate or share the additional assignments, or whether to use an internal process for selecting an employee for the additional assignments. All pay factors should be considered in determining appropriateness and amount of temporary pay.

Temporary pay may be provided for duties within the same role or a higher role, but are not restricted to duties assigned from a vacant position. Normally, temporary pay would not be provided when employees assist with short-term assignments, such as covering for a vacant position during the recruitment process, or covering assignments for another employee in a shortterm leave status. Temporary pay is not granted for additional responsibilities assumed for a period of less than two full pay periods, nor may it exceed six months from the effective date without a further review by management and Human Resources. However, temporary pay may be granted for the duration of a project with a specified ending date. Temporary pay must never be used in place of over-time pay for non-exempt employees.

G. Competitive Offers

The university seeks to retain employees whose skills are critical to the attainment of department or university goals. The HR Consultant will assist the department manager in determining if a counter-offer is appropriate and desirable, and the amount of an appropriate counter-offer, not to exceed the offer of the competing employer. All appropriate pay factors will be considered in determining the salary.

H. Disciplinary or Performance Related Salary Actions

These actions will be administered in accordance with the state policies, 1.60 Standards of Conduct, and 1.40 Performance Planning and Evaluation, and pay decisions will be based on the application of the pay factors within the salary reduction requirements of 3.05 Compensation.

VI. EXCEPTIONAL RECRUITMENT AND RETENTION INCENTIVES AND RECOGNITION PROGRAMS

A. Exceptional Recruitment and Retention Incentives

Exceptional recruitment and retention options will be used when significant recruitment and retention problems exist for groups of positions critical to the agency mission. Any plan to use these incentives must be coordinated with the Secretary of Education.

B. Recognition Rewards

Recognition programs for employees may be established in accordance with this policy and the procedures established by the University's administrative offices. Such programs include annual recognition awards described in the Faculty Handbook and the President's Awards for Excellence. In addition, colleges and major administrative units may recommend establishment of programs to recognize employees within the college, administrative area, or departments in accordance with the established procedures.

VII. HOURLY EMPLOYEES

Compensation for hourly employees, including application of the pay factors and limits on amount of percentage increases, will comply with the state and university policies and practices defined for staff salaried employees. When an employee moves from an hourly position to a salaried position, total compensation will be a particular consideration in establishing starting pay.

- Competitive pay actions (starting pay, promotions, transfers, and demotions) are negotiable within the same percentage provisions for salaried actions; department heads or designees are authorized to approve hourly rates for competitive wage hires.
- Role changes and changes in pay attributed to one of the "in-band" adjustment reasons must be approved by Human Resources. Wage employees may be included in the annual cycle for salaried in-band reviews.
- Wage employees are eligible to participate in designated reward and recognition programs to be defined in the revised university policy, unless specifically excluded (e.g., President's Award for Excellence). Wage employees should be provided with descriptions of their tasks and responsibilities and should receive feedback on their performance.

VIII. PROBATIONARY PROCESS

A twelve-month probationary period is required for new and re-hired employees. University Policy 4260, Probationary Period for Salaried Classified Employees, describes the specific provisions and procedures for managing the probationary process. The purpose of the probationary policy is to provide guidelines for management to evaluate the progress of the probationary employee.

Key elements include the following.

- A performance plan must be provided to the new employee within the first 30 days of employment.
- A review at approximately three (3) months is strongly encouraged; a six-month progress review and the 12-month or final review are required.
- Supervisors may request to extend the probationary period for performance reasons, and must consult with Personnel Services for approval.
- A person who is selected for a position that requires certification following a prescribed training program must complete a new probationary period. The only positions currently requiring this additional probationary period are those positions in the Police Department requiring completion of the mandatory training programs.
- Depending upon the date of hire within the performance cycle, the university may approve increases for all probationary employees who receive ratings of Contributor or Extraordinary Contributor, in accordance with the schedule in Section IX. The performance evaluation form (attached and available on the Personnel Services Website) will be used to evaluate eligible probationary employees for their performance increases.
- Employees rated Below Contributor will not be granted performance increases.
- Employees serving new probationary periods due to position requirements will receive performance increases in accordance with the university's performance increase plan for non-probationary employees and the Department of Human Resource Management Policy 1.40, Performance Planning and Evaluation.

IX. PERFORMANCE MANAGEMENT

Performance management is an integral part of the Commonwealth's Compensation Management System; it is designed to support management in the realization of organization objectives and to enable employees to see the link between their efforts and the effectiveness of their departments and work units. The performance management process provides for performance planning, employee development, and feedback throughout the performance cycle.

The performance management process provides for three rating categories for staff employees: Below Contributor, Contributor, and Extraordinary Contributor.

X. REVIEW PROCESS

Employees are strongly encouraged to discuss any concerns or questions about pay decisions with their supervisors and department heads. An employee who believes that a pay action affecting him or herself has been administered improperly may request to have the action reviewed by the department head, or designee, in the area where the decision was made. Following review by the appropriate internal management levels, an employee may also ask that Human Resources facilitate a review by the appropriate senior management level. The

final decision will rest with the Dean or Vice President. Human Resources will serve as a consultant in this process.

XI. OTHER AGENCY POLICIES

All university policies, procedures, and forms have been reviewed to assure consistency with state policies.

XII. FUNDING CONSIDERATIONS

It is the responsibility of each Dean, Vice President, and Vice Provost to assess the overall impact and priority of pay recommendations within their senior management areas and to define the internal budget processes necessary to assure internal equity and effective utilization of resources. The university's normal budgeting process may be used to address additional funding needs. Furthermore, Human Resources will identify trends, potential budget impacts, and workforce planning issues, and bring these to management's attention. Virginia Tech will act in accordance with Section 4-6.01 k of the 2000 Appropriation Act, stated below.

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.

XIII. EEO STATEMENT

Virginia Tech does not discriminate on the basis of race, sex, disability, age, veteran status, national origin, religion, political affiliation, or sexual orientation. All salary adjustments must be based on legitimate reasons, including equity, as detailed in the pay factors.

XIV. COMMUNICATION PLAN

Communication and training efforts are on-going. Several components are standard, and include the following elements.

1. Identification of the agency audiences, which include: Executives, Deans and Vice Presidents; Department Heads and Directors; Managers and Supervisors; Employees; Commission on Staff Affairs, Staff Senate, and Staff Associations.
2. Presentation of briefings and informational sessions to each of the agency audiences, including small group question and answer sessions for employees.
3. Targeted communications, including:
 - Human Resources memorandums to deans, directors and department heads and a Manager's Guide (see Appendix F)
 - Employee letters
 - Articles and special inserts in *Spectrum*, the campus newspaper
 - Website
4. Delivery of customized training to each audience.

A key element in Virginia Tech's plan has been to provide early and on-going communications to employees whenever possible, using a variety of methods. Virginia Tech staff actively participate in the university's governance process. The Commission on Staff Affairs, the Staff Senate, and the College and Administrative Staff Associations provide a very effective communications network and source for employee input.

XV. AUTHORIZATION AND SIGNATURE

The Virginia Tech Salary Administration Plan has been approved by the Assistant Vice President for Human Resources and the President.

Chief Human Resource Officer Signature Date

Agency Head Signature Date