INTRODUCTION

Old Dominion University’s Salary Administration Plan specifies how the University administers the job evaluation and compensation components of the Commonwealth's Compensation Management System for classified employees. The Salary Administration Plan is the foundation for ensuring consistent application of pay administration decisions. The Plan enables the University to increase flexibility in staffing, enhance recruitment and retention efforts, and reward employees for their performance and increased capability to contribute to the achievement of organizational goals.

I. EFFECTIVE DATE

The Old Dominion University Salary Administration Plan was initiated on September 25, 2000. This revision of the Salary Administration Plan is effective June 10, 2011. The Plan is reviewed on an on-going basis to determine if the compensation objectives and organizational needs are being met. Modifications are made as required to meet financial and/or organizational needs; or to comply with legislation approved by the General Assembly and policy changes implemented by the Commonwealth’s Department of Human Resource Management.

II. UNIVERSITY SALARY ADMINISTRATION PHILOSOPHY AND POLICIES

Old Dominion University’s compensation philosophy is to provide total compensation sufficient to encourage excellence in performance and to maintain the labor market competitiveness necessary to attract and retain a competent and service-oriented work force in a fiscally responsible manner. Underlying this philosophy are the following principles:

- To provide more flexible base pay systems that link employee performance to university and department mission and objectives.
- To establish a market competitive compensation program that focuses on the value of total compensation, which includes salary and non-salary benefits such as healthcare, retirement, life insurance, disability insurance, paid time off, and other, optional benefits such as tuition assistance.
- To encourage employees to make a performance difference where results and outcomes are important, valued and rewarded.
- To support efficient administration and sound management of the University’s financial resources devoted to employee compensation.
The University administers its compensation program in a manner consistent with its mission, goals, and business objectives. The objectives of the University’s Salary Administration Plan are:

- To attract qualified employees;
- To retain qualified employees;
- To support management in the realization of organizational objectives.
- To be market responsive and fiscally responsible;
- To assure that comparable jobs are valued with similar methodology and assigned to the same role;
- To promote employee focus on university and work unit missions and outcomes;
- To be administratively efficient and responsive to organizational changes;
- To be easily understood and communicated.

III. RESPONSIBILITIES

The following is an outline of the types of actions for which each level at the University is responsible and accountable in order to administer the Compensation Management System at Old Dominion University. The goal is to designate these decision-making functions to the most appropriate level of management.

President/Vice Presidents

As the University’s senior administrators, this level will:

- Designate levels of approval authority;
- Implement budget decisions and practices that support the classified compensation plan;
- Hold departments and managers accountable for salary decisions and proper application of the Salary Administration Plan;
- Establish a review and approval process within the senior administrative area that assures compensation policies and administrative procedures are followed, that pay actions are supported by adequate funding at the appropriate funding unit level;
- Assess overall priority of potential pay issues for departments;
- Oversee compliance with rules and regulations of the classified compensation program;
- Review EEO impact of salary decisions, role allocations, and other decisions impacting pay or potential pay;
- Review summary reports regarding pay decisions to ensure compliance with program guidelines.
Dean/Associate Vice President/Assistant Vice President/Director

This administrative level will:

- Hold departments and managers accountable for salary decisions and proper application of the Salary Administration Plan;
- Communicate information concerning the classified compensation program and the University's Salary Administration Plan to supervisors and employees;
- Assess salary priorities and departmental needs in developing and acting on pay practices;
- Comply with rules and regulations of the classified compensation program;
- Assure that pay actions can be supported by adequate funding;
- Negotiate salaries with applicants and employees as appropriate (in partnership with Human Resources);
- Approve pay actions when appropriate;
- Respond to employee appeals;
- Review summary reports regarding pay decisions to ensure compliance with program guidelines;
- Review EEO impact of salary decisions, role allocations and other decisions impacting pay or potential pay.

Department Chair/Manager/First-Line Supervisor

This administrative level will:

- Partner with Human Resources to conduct training on classified compensation and the University's Salary Administration Plan;
- Provide employees with on-going information on the Compensation Management System;
- Encourage and coach employee career development;
- Provide regular feedback to employees on performance;
- Recommend pay actions to upper management;
- Comply with rules and regulations of the compensation program;
- Gather and document information to support the pay action, including
  - Percentage increase requested
  - Source of funding
  - Total percent of previous increases during the fiscal year
  - Justification for percentage pay action requested using the pay determination factors;
- Negotiate salaries with applicants and employees as appropriate (in partnership with Human Resources);
- Review and analyze reports regarding pay decisions and follow-up where necessary;
• Review EEO impact of salary decisions, role allocations and other decisions impacting pay or potential pay;

Human Resources

Human Resources staff will:

• Partner with managers and provide review/consultation on pay actions;
• Provide employees with information and training on the classified compensation plan and the University’s Salary Administration Plan;
• Provide training and consultation services to managers and supervisors to assist them with all facets of pay administration;
• Provide tools, reports, and resources, including salary data, to manage compensation flexibility;
• Review summary reports regarding pay decisions to ensure compliance with program guidelines;
• Comply with rules and regulations of the classified compensation program;
• Review, in conjunction with the Office of Institutional Equity and Diversity, the EEO impact of pay decisions, role allocations, and other decisions impacting pay or potential pay;
• Provide regular evaluations and recommend changes/modifications to the President and Vice Presidents;
• Establish readiness criteria for decentralization within the University;
• Ensure compliance with wage and hour laws and regulations.

Employee

Old Dominion University employees will:

• Be informed about the classified compensation program and the University’s Salary Administration Plan;
• Attend applicable training and informational workshops;
• Take ownership for their performance and career growth, recognizing that the Compensation Management System is performance-based;
• Seek to understand organizational and fiscal responsibilities;
• Participate in the development of the position description/performance plan.

IV. RECRUITMENT AND SELECTION

Market availability, market data, recruitment/turnover data, and criticality of the positions to university operations or initiatives will be used to determine the University’s market position. The recruitment strategy is determined by the applicable recruitment market, projected availability of qualified 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 and information will vary based on the above considerations.

Human Resources established guidelines for hiring authorities to consider in the recruitment and selection process. The hiring authority is responsible for determining the titles and salaries to post in advertising positions, the recruitment strategy, and the ad content. Human Resources will provide consultative services and monitor the recruitment process.

The Pay Action Form is part of the selection paperwork that supervisors will complete with proposed starting pay information. Based on the University's pay practices, all starting pay actions are reviewed by Human Resources before an employment offer can be made. Once the Pay Action Form has been completed and the criminal record check has been satisfactorily completed, either the hiring authority or Human Resources will conduct the salary negotiation with the selected candidate.

V. PAY PRACTICES

Old Dominion University uses a shared accountability model for the application of the pay practices. As managers become more proficient with the system, a more decentralized model may be implemented with Human Resources functioning in a post audit role.

The Pay Action Form is required for any of the following pay practices. All relevant pay determination factors must be adequately documented on the Pay Action Form.

An individual's pay is influenced by external labor markets, internal equity concerns, sustained employee performance, importance of the position to the department, and availability of financial resources (employee value, job value, market value).

1. Starting Pay:

Starting pay is the starting salary for an individual not currently employed by the Commonwealth of Virginia. Starting pay is negotiable from the minimum of the pay band up to 15% above the candidate's most current job-relevant salary, not to exceed the pay band maximum.

Given the 15% cap, the hiring department has the flexibility to offer a starting salary up to the amount budgeted for the position. In addition, if salary negotiations within 15% are unsuccessful, the hiring department may negotiate offers that exceed 15% when the recruitment results in no reasonable alternative selection. Human Resources will confirm the pay factors justification prior to the offer being made.
A starting salary offer that exceeds the budgeted amount for the position or exceeds 15% of the candidate's most current job-relevant salary must be approved by the appropriate vice president BEFORE an offer is made. The Budget Office will confirm the availability of funding and Human Resources will confirm compliance with the pay guidelines and pay factors justification.

2. **Promotion:**

Promotion is the movement of an employee to a different position in a higher pay band. This movement is the result of the employee applying for the position through the recruitment and selection process. Salary is negotiable from the minimum of the pay band up to 15% above current salary. (Salary may not be below the minimum of the new pay band.)

The hiring department has the flexibility to offer a salary increase up to the amount budgeted for the position as long as it falls within the 15% limit. Human Resources will confirm the pay factors justification prior to the offer being made.

In the event a proposed increase exceeds the budgeted amount for the position or an exception to the 15% limit is requested, the proposed salary must be approved in advance by the appropriate vice president BEFORE an offer is made. The Budget Office will confirm the availability of funding and Human Resources will confirm compliance with the pay guidelines and pay factors justification.

3. **Voluntary Transfers:**

A voluntary transfer is employee-initiated movement to another position in the same or different role in the same pay band. The employee may seek the transfer through the recruitment and selection process or through a non-competitive process.

With a competitive voluntary transfer, the salary is negotiable from the minimum of the pay band up to 15% above the employee's current salary, not to exceed the pay band maximum. 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 hiring range.

There may be circumstances where the negotiated salary for a competitive voluntary transfer is the same or less than the employee's current salary. Pay factors, comparison of the positions in terms of complexity, results and accountability, and budgeted salary are some factors which may affect negotiated salary.
The non-competitive voluntary transfer should be an unusual event. Non-competitive voluntary transfers are intended for employees that move to another position in the same pay band within the University, not between State agencies. Salary is negotiable from the minimum of the pay band to 10% above the employee's current salary, not to exceed the pay band maximum.

There may be circumstances where the negotiated salary for a non-competitive voluntary transfer is the same or less than the employee's current salary. Pay factors, comparison of the positions in terms of complexity, results and accountability, and budgeted salary are some factors which may affect negotiated salary.

The hiring department has the flexibility to offer a salary increase up to the amount budgeted for the position. Human Resources will confirm the pay factors justification prior to the offer being made.

In the event a proposed increase exceeds the budgeted amount for the position, the proposed salary must be approved in advance by the appropriate vice president BEFORE an offer is made. The Budget Office will confirm the availability of funding and Human Resources will confirm compliance with the pay guidelines and pay factors justification.

4. Voluntary Demotions:

A voluntary demotion is when an employee voluntarily moves to a different role in a lower pay band through the recruitment and selection process or through non-competitive means (non-competitive must be within the University versus between ODU and another state agency).

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, the University has the option of freezing the employee's salary for up to six months. After six months, the employee's salary must be reduced at least to the new pay band maximum. The University must explain the timing and amount of the salary reduction before the employee accepts the demotion.

Human Resources will confirm the pay factors justification prior to the demotion becoming effective.
Other forms are used to process the following actions:

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

**Temporary Pay (different Role in same pay band):**

Temporary pay can be provided to an employee who experiences a change in job duties and responsibilities for a specified period of time (i.e., assignment to a special project, reassignment during organizational changes, etc.). Temporary pay is not intended to cover brief recruitment periods, and should not last longer than six months. Extensions to the six month limit due to exceptional circumstances may be granted by the appropriate vice president.

When temporary pay is provided for assuming duties in a different role in a higher pay band, salary may be increased up to 15% above the employee’s current salary, not to exceed the pay band maximum.

When temporary pay is provided for assuming duties in the same or different role in the same pay band, salary may be increased up to 10% above the employee’s current salary, not to exceed the pay band maximum.

When temporary pay is provided for a special project assignment, salary may be increased up to 10% above the employee’s current salary, not to exceed the pay band minimum.

The appropriate vice president, in conjunction with the Budget Office and Human Resources, must approve requests for temporary pay via the Temporary Pay Form for Classified Employees.

6. **Disciplinary or Performance Related Salary Action:**

Under the Standards of Conduct policy, an employee’s job duties and responsibilities may be reduced as a result of improper conduct or poor performance. This reduction in job duties may result in the employee moving to the same or lower pay band or same or different position. In either case, the employee’s salary must be reduced a minimum of 5%. If movement is within the same pay band, the employee’s reduced salary cannot be below the band minimum. If movement is to a lower pay band, the employee’s reduced salary cannot exceed the maximum of the lower band.

Salary reductions greater than 5% are permitted with the prior approval of the appropriate vice president and Human Resources. These actions are processed via written notice forms or memoranda with the appropriate signatures for approval.
7. Competitive Salary Offer:

Once the critical need to make a competitive offer has been determined, the appropriate vice president, in conjunction with the Budget Office and Human Resources, must approve competitive salary offers using the Competitive Salary Offer Form. The competitive offer can match the outside offer, however, it cannot exceed the maximum of the affected employee’s pay band. Human Resources will confirm the pay factors justification prior to the offer being made.

The following actions are reviewed and processed through the web-based, on-line system, PAPERS (Position Action, Performance Evaluation and Recruitment System).

8. Role Change:

A role change occurs when an employee remains in his/her current position but the role changes. The change can be upward, downward, or lateral. The work flow established in PAPERS determines the review and approval process through the hiring manager, budget unit director, vice president, human resources and the budget office. The work flow includes a classification and compensation analysis by Human Resources.

An upward role change, which is defined as movement to a different role in a higher pay band, may result in a salary increase up to 10% or to the minimum of the higher pay band.

A lateral role change, which is defined as movement to a different role in the same pay band, may result in a 0 to 10% salary increase.

A downward role change, which is defined as movement to a different role in a lower pay band, will not result in a salary decrease unless the employee’s salary is above the maximum of the lower pay band. If the salary is above the pay band maximum, it will be frozen and reduced after six months.

9. In-Band Adjustments:

An in-band adjustment is an adjustment to an employee’s base salary due to:

- a change in job duties and responsibilities
- application of new job-related skills and competencies from education, certifications, licenses
- retention (i.e., responding to salary market changes, labor market fluctuations, etc.)
• internal alignment, salary compression and other internal inequities

The work flow established in PAPERS determines the review and approval process through the hiring manager, budget unit director, vice president, human resources and the budget office. The work flow includes a classification and compensation analysis by Human Resources.

In-band adjustments can increase an employee's salary up to 10%, not to exceed the pay band maximum. In addition, there is a maximum limit of 10% per employee per fiscal year (June 25 through June 24) for in-band adjustments. Exceptions may be requested for cases that significantly exceed normal criteria and are supported by a pay factor analysis. Exceptions must receive prior approval from DHRM.

In-Band bonuses allow additional flexibility to give non-base pay 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. Management, in consultation with Human Resources, will determine when the use of an in-band bonus is appropriate. Exceptions to the 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.

10. Exceptional Recruitment and Retention Incentives

The University uses exceptional recruitment and retention incentives based on the Department of Human Resource Management's guidelines. Please refer to the University's Exceptional Recruitment and Retention Incentives Program for more information. These actions are processed using the Exceptional Recruitment/Retention Agreement Form and require the approval of the appropriate vice president and Human Resources. The Budget Office must also approve all monetary incentives.

VI. RECOGNITION AWARD PROCESS

The University’s Guidelines for Classified and Hourly Recognition Programs (revised June 13, 2008) are based on state policy and establish the process for departments to use in developing and implementing recognition and reward programs. Please refer to the guidelines for more information.

VII. PERFORMANCE MANAGEMENT PROGRAM

in its administration of the Performance Management Program. Please refer to the Performance Management Program Amendment for more detailed information.

VIII. HOURLY EMPLOYEES

Pay practices for hourly employees, including application of the pay factors, will comply with state and university policies and practices for classified employees. Pay actions may be effected by memorandum and the memorandum must document the relevant pay determination factors to support the application of the requested pay practice. No formal performance evaluations will be conducted on hourly employees per the advice of the Department of Human Resource Management. Hourly employees may be eligible for salary increases in November depending upon the availability of funding. Hourly employees are eligible for cash bonuses as outlined in Policy 1.20, Employee Recognition Programs and university guidelines.

IX. PROBATIONARY PROCESS

In accordance with Policy 1.45, Probationary Period, a person who is selected for a position that requires certification following completion of a prescribed training program must complete a new probationary period. Currently, only law enforcement officer positions in the Department of Public Safety qualify for this provision. Recruitment announcements will include this provision.

X. APPEAL 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 has been administered inappropriately may request to have the action reviewed by the budget unit director, or designee, in the area where the decision was made. The employee may also contact the Employee Relations Manager in the Department of Human Resources, and/or use the Grievance Procedure.

XI. EEO STATEMENT

All pay actions must be based on legitimate reasons as detailed in the pay determination factors, and must be unrelated to race, color, religion, national origin, age, veteran status, gender, disability, political affiliation, sexual orientation or genetic information. Compensation decisions will be reviewed to determine their impact on diversity.
XII. COMMUNICATIONS PLAN

Communication and training efforts are on-going and include the following standard elements:

1. Identification of university audiences, which include the president and vice presidents, senior administrators, deans and directors, budget unit directors, managers and supervisors, employees, and the Hourly and Classified Employee Association.
2. Presentation of briefings and informational sessions.
3. Targeted communication efforts such as use of Human Resources’ web site, memorandums to management, letters to employees, articles and special inserts in university newsletters (Resource, Management Notes).
4. Delivery of customized training to targeted audiences.

XIII. PROGRAM EVALUATION

Human Resources reviews each requested action and conducts post-audits of select compensation actions on a periodic basis. As part of its regular review of starting pay, promotion, transfer, demotion, role changes and in-bands, Human Resources utilizes the DHRM EEO Compliance Calculator to assess any potential adverse impact implications. Human Resources also completes a fiscal year review based on the compliance audit conducted by DHRM’s Office of Equal Employment Services.

Additionally, Human Resources continuously monitors and evaluates the administration of the Compensation Management System and makes adjustments as appropriate. Factors considered include adherence to pay practice guidelines and compensation policy, patterns of compensation actions, compliance with Federal and State laws and policy, and impact on the University’s budget. These efforts help ensure compliance with policy, identify the need for refinements to the University’s Salary Administration Plan, ensure internal alignment, analyze and control costs, and identify training needs for managers and employees.

The objectives outlined under the University’s Compensation Philosophy are also used as evaluation criteria on which the assessment of the Salary Administration Plan is based.
XIV. AUTHORIZATION AND SIGNATURE

Old Dominion University's Salary Administration Plan for Classified Employees has been approved by the President and the Director of Human Resources.

Signature of Agency Head

Date

Signature of Vice President for Human Resources

Date