

**OLD DOMINION UNIVERSITY
PAY PRACTICES ADMINISTRATION
FOR AP FACULTY**

INTRODUCTION

The purpose of the pay practices for administrative and professional faculty (AP faculty) is to explain the criteria and define the process for compensation adjustments. The pay practices provide university management with the tools to encourage employee growth and development, address compensation issues, and reward and recognize employees for their performance and increased capability to contribute to the achievement of organizational goals (in addition to the annual merit increase process and the Faculty Incentives Policy). The application of these pay practices will enable the university to:

- Respond to competitive realities in the labor market;
- Pay for acquisition and application of new skills and competencies;
- Address the addition of new duties, responsibilities and title changes; and
- Maintain internal alignment and address salary compression.

RESPONSIBILITIES

Managers are responsible for the consistent and equitable administration of employee compensation. Management is accountable for justifying salary decisions based on organizational needs, their budgets, compliance with EEO regulations and an overall understanding and demonstration of stewardship in the expenditure of university funds.

Senior administrative levels are responsible for holding managers accountable for salary decisions and proper application of the pay practices.

The Department of Human Resources is responsible for conducting classification and compensation reviews of management requests for salary adjustments, change of duties, and title changes for all AP faculty. Human Resources, in conjunction with the Office of Institutional Equity and Diversity, will review the EEO impact of the application of the pay practices.

PAY FACTORS

The pay practices are designed to allow variable salary adjustments. In determining salaries, university management must take the following pay factors into consideration:

Job Based Factors

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

Duties And Responsibilities: The primary and essential work functions performed by an employee or group of employees as documented in the position description(s). Variation in these duties and responsibilities help distinguish one employee from another for comparison purposes.

Employee Based Factors

Performance: The candidate 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 as documented during the annual performance evaluation process for AP faculty.

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 master's 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 accounting). Skills refer to acquired psychomotor behaviors (e.g., operation of personal computer). Abilities refer to an individual's talents or capacity to engage in specific, observable behaviors. Competencies are the knowledge, skills, and underlying behaviors that correlate with successful job performance.

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., Certified Professional Accountant, etc.). A license is a credential that is required by law to practice one's occupation (e.g., licensed counselor).

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, semimonthly, 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.

Salary Reference Data: A composite of relevant salary information (e.g., median salary, weighted median salary, etc.) extracted from available surveys, such as CUPA-HR, that indicate market pricing for various jobs at the university.

Total Compensation: This includes all forms of cash compensation (e.g., base 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 the way salary dollars are managed by the university.

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

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

1. Starting Pay:

The objective of establishing a flexible starting pay practice is to attract highly skilled and competent job candidates to the university's workforce. The Starting Pay practice is competitive and negotiable. 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 position, internal alignment, etc.). The hiring manager must document that the appropriate pay factors were considered, especially internal alignment, and that negotiations with the candidate transpired to ensure that an appropriate salary was offered in order to secure job acceptance. For example, offering a starting salary of \$45,000 for an academic advisor in a department where current academic advisors' salaries are \$38,000 could create an internal alignment issue. Hiring managers may consult with Human Resources concerning market data and an acceptable starting pay offer.

2. Voluntary Transfers:

A voluntary transfer is employee-initiated movement to another vacant position comparable in title, duties, responsibilities, qualifications and compensation.

The employee may seek the transfer through the recruitment and selection process or through a non-competitive process. The Office of Institutional Equity and Diversity must approve the waiver for recruitment for a non-competitive voluntary transfer.

There may be circumstances where the negotiated salary for a 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.

3. Promotion/Title Change:

Promotion is the advancement in rank or position. The movement of an employee to a different, vacant position with a higher title through the competitive recruitment and selection process is one type of promotion. The hiring manager must document that the appropriate pay factors were considered, especially internal alignment, and that negotiations with the candidate transpired to ensure that an appropriate salary was offered in order to secure job acceptance. Hiring managers may consult with Human Resources concerning market data and an acceptable starting pay offer.

A title change occurs when an employee remains in his/her current position but the duties and responsibilities have changed significantly warranting a title change. The change can be upward, downward, or lateral. A title change does not always include a salary adjustment. The approval process will include a classification and compensation analysis by Human Resources. An upward title change is also a promotion. When the title change is upward, the Office of Institutional Equity and Diversity must also approve the title change and waive the requirement to recruit for a "new" position.

4. Salary Adjustments:

This is a multi-faceted pay practice that allows university management the flexibility to adjust employee base pay on the basis of:

- assumption of new higher level job duties and responsibilities critical to university operations;
- application of new job-related skills and competencies from education, certifications, licensures;
- retention (i.e., responding to salary market changes, labor market fluctuations, etc.);
- internal alignment and salary compression.

Salary adjustments can increase an employee's salary from 0 to 10%. However, increases greater than 10% may be approved based on supporting market data, alignment issues or other exceptional circumstances based on the vice president's approval.

5. Temporary Pay:

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, assuming some additional duties from a higher level vacant position, etc.). Temporary pay 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 serving in an acting/interim role in a higher level position, the temporary appointment should not last longer than one year. Exceptions to the one-year limit due to extenuating circumstances must be submitted to the president for approval. The submission must also include a recruitment plan approved by the Office of Institutional Equity and Diversity.

6. Voluntary Demotions:

A voluntary demotion is when an employee voluntarily moves to a different position with duties and responsibilities at a lower level than their current position through the recruitment and selection process or through non-competitive means. The Office of Institutional Equity and Diversity must approve the waiver for recruitment for a non-competitive voluntary demotion.

Typically, there is a reduction in salary for a voluntary demotion based on pay factors, and comparison of the positions in terms of complexity, results and accountability.

7. Disciplinary or Performance Related Salary Action:

An employee's job duties and responsibilities may be reduced as a result of improper conduct or poor performance. This reduction in job duties will also result in a reduction in salary. Salary reductions must be reviewed by Human Resources and approved by the appropriate vice president.

8. 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. The competitive offer can match the outside offer.

9. Management Reassignment:

This is a management-initiated action. No AP faculty member has a right of continuance in a specific administrative assignment, and any AP faculty member may be reassigned to different responsibilities at any time. Base salary may remain the same or be reduced based on the application of the pay factors.

PROCESS AND TRANSMITTAL DOCUMENTS

1. Managers should submit an updated position description, organization chart and the HR-2000 form-Request to Redefine an AP Faculty position to Human Resources' compensation unit for the following pay practices:
 - Title changes
 - Salary adjustments based on assumption of new higher level job duties and responsibilities or application of new job-related skills and competencies
 - Management reassignment (unless move is to an existing vacant position)

The justification on the HR-2000 must address the relevant pay factors in support of the requested action. Human Resources will coordinate the Office of Institutional Equity and Diversity's review of relevant pay practices with the department requesting the action. Human Resources will coordinate the paperwork with the supervisor and Academic Affairs.

2. A memorandum addressing the pay factors and including information on requested salary, effective date and funding source should be submitted to Human Resources for the following pay practices:
 - Voluntary transfer
 - Voluntary demotion
 - Disciplinary or performance related salary action (updated position description is required)
 - Salary adjustments based on retention, internal alignment or compression
 - Competitive salary offer

Human Resources will coordinate the paperwork with the supervisor and Academic Affairs.

No notification should be provided to the employee until the entire approval process has been completed.

3. Temporary pay – Human Resources will coordinate the paperwork with the supervisor and Academic Affairs for appointment in an acting/interim role. The AP Faculty Temporary Pay Form should be used to process temporary pay for special projects and additional duties. Compensation for additional duties outside the regular position description, and performed for another department on campus **and** outside of the normal work week schedule should be processed on the 4031 form.

November 1, 2008

Revised October 18, 2010