

# Q-Status



## *Using Q-Status to support agency efficiency and savings strategies*

### **PURPOSE**

This guide provides agency managers, budget planners, and human resources staff with an overview of the appropriate usage of the classified employee Q-Status policy in the planning and implementation of agency efficiency and savings initiatives. This guide was developed to support the recommendations of Governor McDonnell's Commission on Government Reform and Restructuring and the directives in Governor McDonnell's Executive Directive #3 (2011).

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### **AUDIENCES**

Agency Managers and Budget Planners  
Agency Human Resources Staff

### **DEVELOPED BY**

Department of Human Resource Management  
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### **QUESTIONS?**

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## OVERVIEW

### WHAT IS Q-STATUS?

Q-Status is an acronym for “Quasi Full-Time Status”. Q-Status allows agencies to have employees work reduced schedules with reduced salaries while maintaining key employee benefits.

- Employees must work at least **30** hours, but less than 40 hours per week, and will accrue leave at a rate in direct proportion to the number of hours worked.
- Q-Status can be offered to employees to reduce work schedules for a temporary or permanent period of time. For example, employees may volunteer to work reduced hours for three months, six months, or permanently while still maintaining key employee benefits.
- Employees and management must both agree to the amount of the reduction in hours. When employees’ scheduled hours are reduced, their salaries and leave accrual rates are reduced accordingly. Employees must be fully informed of salary and benefit impacts before accepting Q-Status.

Classified Employee Status Matrix	
<b>F – Full-Time</b>	<ul style="list-style-type: none"><li>• 100% full-time classified employee</li></ul>
<b>Q – Quasi Full-Time</b>	<ul style="list-style-type: none"><li>• <b>75%</b> to 99.99% employee working 12 months <i>or</i></li><li>• 100% employee working 9, 10, or 11 months</li></ul>
<b>P – Part-Time</b>	<ul style="list-style-type: none"><li>• 50% - <b>72.5%</b> employee working 12 months <i>or</i></li><li>• less than 100% employee working 9, 10, or 11 months</li></ul>

*Amended effective 6-25-14 to reflect changes in “Q” and “P” status*

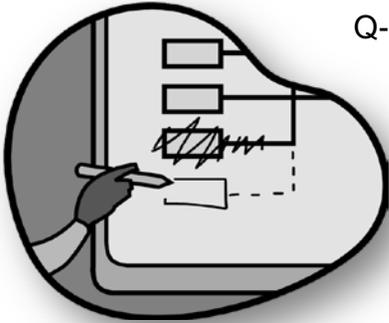
#### NOTE:

- Please be aware that temporary status changes to Q-Status should be in effect for a period long enough to produce real cost savings, as administrative costs are incurred in any employee status change
- Q-Status should not be used to evade leave policies, accommodate occasional needs, or to schedule short duration work reductions - check with your agency’s HR staff for appropriate methods to manage short term needs.

### Q-STATUS GUIDELINES

- Q-Status can be offered to employees on either a temporary or permanent basis
- Employees must volunteer and be fully informed of the salary and benefit impacts before changing to or accepting a Q-Status position
- Salary and leave are prorated in direct proportion to the work hour reduction
- Health benefits are the same as those of full time employees
- Retirement contributions remain at 5% of salary and service is credited at the same rate as full time employees
- Status and hours of work must be included in Q-Status job recruiting announcements

## BENEFITS OF Q-STATUS



Q-Status provides agencies with flexibility to help manage changing workforce needs while maintaining organizational productivity and work engagement. Recent studies\* have documented the negative impacts that layoffs often have on organizational performance and employee work engagement. When the need arises in an organization to reduce, change, or shift talent, soliciting volunteers for Q-Status should be included as a part of the overall talent management strategy for the event.

*Please note* that the process of soliciting and offering Q-Status to employee groups should be planned and implemented in a manner that treats similarly situated employees consistently and equitably. Contact your agency's human resources staff to support the development and implementation of any talent changes in your organization.

### Q-STATUS AND EXTRA HOURS

- Non-exempt Q-Status employees who are required to work extra hours, but do not work more than 40 hours in the workweek, must be granted compensatory leave or straight-time pay.
- Exempt Q-Status employees may be required to work extra hours without additional compensation. However, if the need for extra hours is ongoing and employees are effectively working full-time schedules, they should be granted compensatory leave, paid straight-time overtime, or be changed to Full-Time status, with an appropriate salary increase.

### Q-STATUS KEY BENEFITS

- Provides flexibility to help manage operational needs and program or function level changes
- Supports retention of key organizational talent
- Increases performance, productivity, and overall engagement of reduced schedule workers
- Supports recruitment of skilled talent in reduced schedule and irregular operations
- Allows agencies to reduce staffing costs without the negative impacts that can come from layoffs

\*For example see: McElroy, J. C., Morrow, P. C., & Rude, S. N. (2001). Turnover and organizational performance: A comparative analysis of the effects of voluntary, involuntary, and reduction-in-force turnover. *Journal of Applied Psychology*, 86(6)

## USING Q-STATUS - EXAMPLES

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### PROGRAM REDUCTIONS

*Q-Status can be an effective tool to help manage staffing reductions needed as a result of program changes.*

For example, if one part of a program is eliminated in a group staffed by 20 people that works on a program with 25 different parts (that each require about the same amount of effort) there is a need to reduce staffing by 0.8 of a full time person. In this case while it would be possible to achieve the reduction by laying off one person, it would also be possible to achieve the needed savings by soliciting and finding four to five people from the group who would be willing to volunteer to work a 32 hour schedule as Q-Status employees.

Transitioning staff to Q-Status during this type of a staff reduction will eliminate layoff related costs such as severance, workforce transition assistance, and unemployment insurance. Allowing individuals who could benefit from working a reduced schedule to volunteer will also support employee engagement and productivity in the organization. Layoffs can be disruptive and have unexpected negative impacts on workers remaining in the organization. Soliciting volunteers for Q-Status during program reductions can be a win-win solution in a difficult situation.

### KNOWLEDGE TRANSFER

*Q-Status can provide a way to have individuals who are close to retirement that possess critical organizational knowledge and skill work reduced schedules while they transfer key knowledge to others in the group.*

For example, if an individual with specific knowledge and job skills expresses an interest to begin working less as they get close to retirement, you can offer that they work a reduced schedule and retain important benefits using Q-Status. This can help agencies retain critical talent and allow them to put in place a process and timeline to transition the individual's key knowledge and skills to new or current staff.

This strategy can reduce agency salary costs and free up funds and headcount that can be used to hire or promote new talent to fill important roles during key talent transitions related to retirements. This strategy can also support schedule reductions related to work-life balance issues. For example, if a key individual needs to work a reduced schedule due to a key life event and the agency has the capacity to manage the reduction, offering Q-Status can help to retain key talent.

### TURNOVER REDUCTION

*The health and other benefits that Q-Status offers increases performance, productivity, and retention of reduced schedule staff and can help to reduce costly ongoing turnover of staff in reduced schedule jobs.*

Surveys have found that costs related to the turnover of many reduced schedule positions can range from eight to ten thousand dollars per turnover event. Retaining a productive and high performing employee for ten years vs. turning over the position once a year for ten years can provide savings of \$80,000 to \$100,000 over the period in costs related to recruitment, training and getting multiple new and inexperienced employees productive.

Several workgroups in the state have reported that the health and other benefits provided by Q-Status have significantly reduced turnover and improved the engagement, productivity, and performance of reduced schedule workers in diverse types of operations. Transitioning wage or part-time groups with high turnover and inconsistent performance to Q-Status may be an appropriate strategy to advance effective use of resources and reduce lagging performance and productivity in reduced schedule operations.

**NOTE:** Agencies should involve, coordinate, and partner with the Department of Planning and Budget (DPB) when developing plans to support agency efficiency and savings strategies using Q-Status.