



AHRS PERIODICAL

Office of Agency Human Resource Services

Statewide Pay Action Summary Report October - December 2004

Pay Action	# Actions	# Pay Adjustments	Ave. % Adjustment
Promotions	468	465	13.71
Demotion – Voluntary	53	26	-16.33
Demotion – Disciplinary	4	4	-12.52
Role Change – Upward	250	195	9.15
Role Change – Lateral	103	35	7.05
Role Change – Downward	68	5	-11.67
Voluntary Transfer – Competitive	734	507	9.16
Vol. Transfer - Non-Competitive	177	38	4.18
Temporary Pay – All Reasons	387	387	6.70
End Temporary Pay	244	244	-8.03
Competitive Salary Offer	68	68	13.65
Reassignment within Band	81	-	-
Disciplinary/Performance Decrease	2	2	-7.50
Apply/Adjust Special Rate	626	626	1.14
IBA – Change in Duties Increase	452	452	6.67
IBA – New KSAs/Competencies	473	473	6.05
IBA – Retention	1159	1159	3.23
IBA – Internal Alignment Increase	1544	1544	6.65
Bonus – Change in Duties	19	19	3.02
Bonus – Internal Alignment	-	-	-
Bonus – New KSAs/Comp.	15	15	4.35
Bonus – Retention	13	13	3.67
Bonus – Recognition, Monetary	880	880	1.22
Bonus – Sign-On	18	18	2.28
Bonus – Non-Monetary	275	275	.10
Bonus – Recognition Leave	499	-	-
Bonus – Project	7	7	3.41
Bonus - Referral	4	4	1.09
Suggestion Award	1	1	.75
Overall Approximate Totals	8349	7187	1.96

*There were 6,906 upward pay adjustments at an average of 5.36%
There were 281 downward pay adjustments at an average of -11.21%*

Workforce Planning and the Periodical's Pay Action Summary data may vary within the same reporting period based on the timing of data runs, agency retraction requests, and the manual review and extraction of erroneous PMIS entries.

POLICY GUIDE

On-call Pay When and How?

Any employee can be required to serve on-call duty. There is no requirement to provide additional compensation when:

- the employee is FLSA exempt; or
- the employee is non-exempt and the on-call assignment is not restrictive.

Agencies however, are authorized to grant on-call pay or compensatory leave as pay supplements in these situations. Where compensation is provided, a typical rate of on-call pay would be one hour of pay or leave for each 8-hour shift served. If on-call pay is provided to a non-exempt employee, it must be included in the employee's regular rate for computing overtime pay.

If the employee is non-exempt, and the on-call assignment is restrictive, the FLSA considers it work time. The employee must then be paid for the on-call hours and the hours must be counted toward the 40-hour workweek limit for determining the employee's overtime pay.

Restrictive on-call assignments are those where the employee is unable to conduct personal business, such as when the employee is required to remain in one location, sitting by the telephone waiting for a call, etc. On-call assignments may also be considered restrictive if the employee is not relieved from the assignment for long periods of time (e.g., several months), so that the employee is never able to leave a limited geographical area during this extended time period. Periodically carrying a cell phone or pager and having to respond within a reasonable amount of time would not be considered restrictive.

The employee must also be paid for actual work time when the employee is called in to work. These general rules are subject to variations in the particular circumstances that apply to the employee or the agency. DHRM is the point of contact if an agency needs assistance with determining how on-call assignments should be compensated.

In-band Adjustments and the Fiscal Year

Compensation Policy 3.05 states that:

“An employee may receive more than one in-band adjustment (including Lateral Role Change) within a fiscal year provided the increases do not exceed 10%. (Each percentage increase is added to the employee's current salary.)”

For purposes of administering in-band adjustments, a fiscal year is June 25th – June 24th.

“Walking Breaks”

As part of the Governor’s Health Virginians Initiative, state employees are being encouraged to “use a daily 15-minute break for walking or other exercise.” Policy 1.25, Hours of Work, states that “*Agency managers may grant employees who work an eight-hour day or longer a maximum of one 15-minute rest break before and one 15-minute rest break after the required lunch period. Rest breaks are included in the required hours of work per day.*”

For clarification, the recommended daily “walking break” is not in addition to the breaks authorized by policy.

COMPENSATION PERSPECTIVES

Update on Agency Suggestions

Updates on IMT’s review of agency suggestions from the Compensation Reform Survey were published in the April and July 2004 issues of the AHRIS Periodical. The status of the six most frequently suggested improvements are as follows:

Improving the precision within the job structure while maintaining its flexibility

DHRM has formed a small project team to assess the job classification process and ways to bring more definition to the job structure without reducing flexibility. The group is comprised of one human resource representative from each cabinet area.

Expanding the salary reference data to include more local, versus metropolitan sources

DHRM is adding additional sources of local salary data to the Salary Reference Data web site.

Reviewing the adequacy of caps on In-band Adjustments

Draft revisions to Policy 3.05 include a provision for exceptional adjustments that may exceed 10%.

Amending the definition of the In-band Adjustment for Retention

*Draft revisions to Policy 3.05 expand the definition to include “individual employees assigned to key functions” as well as “*all employees in a particular occupation or functional area*”.*

Requiring expiration dates for Temporary Pay

Draft revisions to Policy 3.05 include this requirement.

Increasing the cap on Recognition Awards

DHRM is in the data collection phase of the review.

Questions about these initiatives should be directed to your assigned DHRM Consultant.

Percents and Percentiles

When reading salary survey reports we often encounter references to percents and percentiles. The term “percentile” has a very specific meaning and cannot be substituted for “percent.” “Percentile” is not just a fancy way of saying “percent,” but refers to a very specific concept.

Percent

“Percent” is a general concept that allows any whole to be thought of in terms of 100 parts. Percents are formed by expressing fractions in decimal form and then multiplying the decimal fraction by 100. So if we have one-half of a pie, we have $\frac{1}{2} = 0.5$ (times 100) = 50% of a whole pie.

We can also think of a salary range in terms of percents. If we have the salary range \$50,000 - \$60,000, we can divide it into portions. We can think of the lower 50%, \$50,000 - \$55,000, and the upper 50 %, \$55,000 - \$60,000. We can think of a person who earns \$52,500 as being 25% into the range.

Percentiles

Percentiles are not computed from percentages of the salary range or from any dollar amount. Instead, they are found by examining the sample of salary earners. In the simplest case, we would have a sample of 100 salary earners, each earning a different salary ranging from \$50,000 to \$60,000. We would then arrange these people according to the amount of salary that they earn with the person earning the least being 1 and the person earning the most being 100. The numbers, or ranks, assigned to these people would then identify the percentiles associated with the amount of money each earns. If the first person earns \$50,200, then that amount marks the first percentile. If the 100th person earns \$58,555, then that amount identifies the 100th percentile.

Any given percentile is defined as the value at or below which the given percent of the cases in the sample is found. So the 11th percentile in a salary survey is the salary at or below which 11% of the number of people in the sample is found. In the example, if the 11th employee is paid \$55,000, then \$55,000 is the 11th percentile even though it is 50% into the range.

Salary surveys often report some special percentiles by using different terms. The 25th percentile is also known as the first quartile. The 50th percentile is known as the second quartile, or the median. The 75th percentile is the third quartile. The inter-quartile range begins at the 25th percentile and ends at the 75th percentile. This range includes the middle one-half of the values.

What you need to know

The explanation given above using 100 people is a highly simplified account of how percentiles are found. It is a simplification of both the computational approach and the circumstances encountered. We rarely have exactly 100 people in our samples; and often several of them do earn the same amount of money. Sometimes our data are based on groups in which individual salaries are not known. These and other departures from the simplest case make computing percentiles complicated. For a full explanation of how to find percentiles when facing specific problems, we may have to consult a textbook on statistics. Fortunately, there are tools to help us to find percentiles. Excel, Microsoft's spreadsheet program, is one such computing tool.

Aging Salary Data

When comparing current state salaries with external data, we often use salary surveys that are several months old. We may, then, want to make reasonable estimates of current external salaries from this past data. In other words, we may need to "age" the salary survey data.

There are three basic approaches to the task:

1. Just treat the past salaries as though they are current.
2. Estimate current salaries from actually observed, or historic, increases.
3. Use an aging factor – such as used on the Salary Reference Data web site by estimating the current salaries from a salary increase forecast made in the past.

The first approach requires no further explanation. We simply record the observed salaries, the survey reporting them, and the effective date of the survey. It is reasonable to use this approach if the data are fairly recent or if market salaries are increasing very slowly.

The second approach to estimating current salaries from past data is to use actually observed increases. For example, the Bureau of Labor Statistics (BLS) reports the Occupational Employment Statistics (OES) results and the Employment Cost Index (ECI) reports. There are limitations to the use of this approach. There is considerable lag between the OES data collection and the report publication. At this writing, the most recent OES data on the BLS web site are for November 2003. ECI data are more current, but changes are reported on a quarterly basis, rather than a monthly basis. If the survey data are not effective the third month of a quarter, or if the current month is not the third month, then the market movement indicated by the ECI will need to be interpolated in order to age it to the present.

The third approach is documented in the DHRM publication, "Informational Guide on the use of Salary Reference Data," March 2001. In it, we compute an aging factor from an estimate, often found in the salary survey being used, of how much salaries are expected to increase over the next year. For example, for several years prior to 2001 this forecasted annual increase was about 4.2%. This 4.2% rate of increase has been used to age survey data in the salary data viewer on the DHRM website. We assume that the increase amount is apportioned equally throughout the year. We, therefore,

divide the annual increase amount by 12 in order to have a monthly amount. For example, 4.2% divided by 12 is 0.35% per month. We estimate the current value of salaries that were reported by a survey effective 10 months ago by increasing the reported salaries by 3.5% (i.e. $10 \times 0.35\%$). So, if a survey reported a job with a salary of \$50,000 in February, we would estimate the salary in the following December to be $\$50,000 \times 1.035 = \$51,750$.

The two approaches (one based on forecasting, the other on actual, or historic, data) are not contradictory, but complementary. When historic data exist, they allow us to determine how good our forecasts were. When historic data come to an end, they may be supplemented by forecasted estimates.

Whatever aging approach we use requires us to make judgments about its appropriateness. We, therefore, should always describe the aging approach we use in any specific case so that our work can be critically evaluated. Aged data is always an estimate and we should update survey data periodically; such estimates are more likely to stray from reality as the aging period increases.

EMPLOYMENT & CAREERS

Applicant Tracking System

DHRM is in the process of developing specifications for a statewide Recruitment Management System (RMS) for applicant tracking purposes. The specifications are being developed with the assistance of the Recruitment and Retention Advisory Council and other state agencies. A budget request to fund the RMS has been submitted. If funding is approved, an RFP will be issued.

For more information on the RMS initiative, contact Sandy Johnson at sandy.Johnson@dhrm.virginia.gov.

Job Posting on Agency Web Sites

Recently when posting jobs in RECRUIT, some agencies have begun to direct job applicants to their web sites for more detailed information about available employment opportunities. While this may provide a rich source of information for job seekers, including specific and detailed job information in the RECRUIT announcement is important also. Therefore, when electing to direct potential job seekers to their web sites, agencies should post in RECRUIT a brief description of the duties of the advertised position along with a prominently displayed hot link to their employment page, rather than to the agency home page. ***The employment link on the agency web site should be clearly visible and easily accessible for users.***

Questions and comments may be forwarded to Sandy Johnson at sandy.Johnson@dhrm.virginia.gov.

Career Guide Update

211 occupational Career Guides are now available for current and prospective employees. Career Guides provide information on occupations, career paths, and what an individual may personally need to do to develop, advance, or even change their career. The Guides are available on DHRM's web site at the following address:

http://jobs.state.va.us/cc_planningctr.htm

Our goal is to provide practical information that supports human resource objectives across the Commonwealth and to encourage innovative strategies in the management and delivery of agency services.

To tell us what you would like to see featured in upcoming issues email us at compensation@dhrm.virginia.gov or policy@dhrm.virginia.gov

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