



CITY OF NEWPORT NEWS PERSONNEL ADMINISTRATIVE MANUAL

Effective: 4/01/08

SECTION 604 Attachment I	SUBJECT SALARY ADMINISTRATION POLICIES – COMPENSATION PHILOSOPHY AND GUIDELINES
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I. GENERAL PHILOSOPHY

The City's compensation plan is based on the principles of external and internal compensation equity with individual employee compensation actions made in consideration of overall job performance. Job performance factors include type and level of work performed, progressive growth in level of work performed, how well the employee performs job functions and carries out responsibilities, levels of knowledge, skills, abilities and competencies required to competently perform the job, progress in attaining higher levels of knowledge, skills, abilities and competencies, the degree to which the employee meets goals and objectives, the degree to which the employee's performance furthers City values and goals, conduct and other relevant considerations.

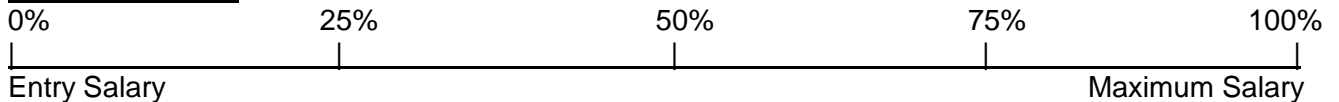
It is the City's general compensation philosophy that each position and job be classified in the appropriate salary range and that an employee's compensation progression through a salary range be based on assuming higher levels of responsibility and achieving and sustaining high levels of overall job performance and competency. To this end, the City provides general performance and competency standards for employee progression through salary ranges as stated below. Departments may, in consultation with the Department of Human Resources, further define and provide more specific performance and competency standards for individual jobs in that department.

It is noted that while the general performance and competency standards given below state standards at each quartile, an employee's actual salary placement within the salary range may be affected by many factors in addition to job performance. These factors include length of service in the job, changes in the compensation levels for the salary ranges from year to year, changes in the classification and salary range of the position or job, market conditions, compensation policies implemented from year to year, and other factors that are not necessarily related to employee job performance.

II. JOB PERFORMANCE AND COMPETENCY STANDARDS

The City has established the following general job performance and competency standards for each quartile in a salary range:

SAMPLE RANGE:



Position in Range
of 0-25%
(1st Quartile)

Position in Range
of 25-50%
(2nd Quartile)

Position in Range
of 50-75%
(3rd Quartile)

Position in Range
of 75-100%
(4th Quartile)

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NOTE: "Position in Range" refers to the percentage or degree to which an employee's salary penetrates the salary range. For example, in a salary range of \$10,000-14,000, the "position in range" for a salary of \$10,000 would be 0%, a salary of \$11,000 would be 25% and a salary of \$14,000 would be 100%.

Quartiles are not precise salary range divisions. They serve as guidelines and represent a relative level of job mastery and performance. General definitions for each quartile, are stated below.

A. First Quartile (Position in Range of 0-25%)

The first quartile represents the entry, development and training level of a position. At this level, the employee must demonstrate satisfactory progress toward meeting the essential full performance knowledge, skills, abilities, competencies and work habits required to be fully proficient in the position to the degree that routine work is performed with regular supervision, guidance and assistance. The employee must demonstrate satisfactory or better job performance on all applicable performance factors.

B. Second Quartile (Position in Range of 25-50%)

The second quartile represents the full performance level of the position. At this level, the employee must regularly perform the essential duties and responsibilities of the position. The employee must meet and sustain the essential full performance knowledge, skills, abilities, competencies and work habits required to be fully proficient in the position to the degree that most of the regular and difficult work of the position is effectively performed with regular supervision, guidance and assistance. The employee's overall job performance must meet or exceed performance standards.

C. Third Quartile (Position in Range of 50-75%)

The third quartile also represents the full performance level of the position. At this level, the employee must regularly perform the more difficult and complex functions and responsibilities of the position. The employee must fully meet and sustain the essential full performance knowledge, skills, abilities, competencies and work habits required to be fully proficient in the position to the degree that the more difficult work of the position is effectively performed with minimal supervision, guidance and assistance and more complex and unusual work of the position is effectively performed with regular supervision, guidance and assistance. The employee's job performance must fully and consistently exceed performance standards.

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D. Fourth Quartile (Position in Range of 75-100%)

The fourth quartile is the mastery level. At this level, the employee must regularly perform the most complex work of the job. The employee must demonstrate sustained mastery of the essential full performance knowledge, skills, abilities, competencies and work habits required to be fully proficient in the position to the degree that the most difficult and complex work of the position is effectively performed with minimal supervision, guidance and assistance; demonstrate leadership; more than satisfactorily meet any assigned objectives. The employee's overall job performance must fully and consistently exceed standards in the lower 4th quartile and be outstanding in the upper quartile to the range maximum.

III. ADMINISTRATIVE GUIDELINES AND INTERPRETATIONS

These guidelines and interpretations apply generally to jobs classified in the General, Hourly and Fire and Police Schedules. Separate policies may apply to certain jobs in the Fire and Police Schedules. Refer to Attachment II.

- A. Generally, an employee's level of work performed, demonstrated knowledge, skills, abilities and competencies, and sustained job performance are considered in determining the employee's appropriate salary level in a salary range. However, other conditions may also influence salary placement.
 - 1. The quartile guidelines are general comparative standards reflecting growth in level of work performed, level of knowledge, skills, abilities and other competencies and higher levels of job performance. Policy does not envision or require that any employee's salary should automatically or immediately be placed at the level represented by the employee's performance. Other factors affect salary increases and there are limitations on the amounts of increases employees may be granted. The performance based increase system provides an orderly, yet flexible framework for progression of employees' salaries.
 - 2. It is not inconsistent with policy or philosophy that an employee with a higher level of performance may be at a lower salary level than an employee with a lower level of performance depending on other factors affecting salary. An employee with substantially higher levels of performance may progress more rapidly than an employee with a lower level of performance, depending on the compensation plan for that year.

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3. In cases in which an employee has been employed, promoted or transferred into a position at a salary above the entry rate, the employee may not meet all specific standards for the particular placement. This is acceptable to the extent that the employee is making satisfactory progress toward meeting the standards. Future performance increases will consider overall qualifications and performance including job performance in the new job.
4. In cases in which an employee is assigned to specific or specialized functions within a position classification, rather than to all functions, the employee is evaluated on the functions and standards essential to the specific assignment. Performance increase decisions will consider the assigned functions, the comparable level of complexity, the comparable levels of knowledge, skills, abilities and competencies and the comparable level of responsibility as stated for the classification as a whole.

In cases where an employee performs primarily the more routine or elementary work of the position, the employee's salary will generally not advance beyond the first quartile of the range.
5. In cases in which an employee is transferred to a different assignment or specific function within the same position classification, initial performance increase decisions will consider performance in both the previous and the current assignment.
6. When a job has been re-graded, or a position reclassified, the salary of an employee may fall in a different quartile than in the previous range. This is not inconsistent with policy nor does it support a salary adjustment. Future performance increases are subject to established guidelines.
7. Performance increases are justified by the employee's performance compared to performance standards. Performance increases are not justified by comparing one employee's salary to the salaries of others. However, managers are advised to conduct comparative reviews of salaries to identify any inconsistencies.

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