

**The University of North Carolina at Chapel Hill**  
**Career Banding Compensation Administration Plan**

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## **What is Career Banding?**

Career banding is a compensation management and position classification system that was first introduced by North Carolina's Office of State Human Resources (OSHR) in 2004 on a pilot basis. Career banding reduces the number of classification titles, but increases the size of salary ranges.

A major goal of career banding is the increased ability to recruit, retain and develop a qualified, motivated, and diverse workforce. It does this by allowing compensation to be aligned with labor market pay rates relative to competencies (i.e., the knowledge, skills, and abilities) required in the position and demonstrated by the employee on the job. Career banding allows for quicker reaction to labor market fluctuations. The career banding system delegates compensation decisions to managers and holds them accountable for those decisions. Such localized management decreases turn-around time for compensation decision-making and improves reaction time in retention situations.

Career banding also streamlines position classification by reducing the number of job titles. In addition, the overall design of the career banded structure focuses on defining and establishing career paths for employees. This assists employees who want to enhance their careers in State government while encouraging employees to develop the skills necessary for the University to succeed.

In the career banding system, mechanisms have been established to help managers and employees understand how to advance salaries within a band. The career banding system recognizes that competitive pay levels encourage excellent performance. The system accomplishes this by aligning compensation with market pay related to the level of competencies required in a position and demonstrated by the employee in the position. Competencies must be demonstrated on the job, measured according to standards set by the organization and required of the job based on the organization's needs.

It is important that each manager understands the difference between performance and competencies and is able to explain the difference to employees. A competency assessment documents that the employee has demonstrated that s/he has the knowledge, skills and abilities needed to do the work. It is based on the specific competencies required to do the work. A performance evaluation measures the achievement of individual goals set annually by the manager. Each employee has measureable goals and performance targets. The performance evaluation documents whether or not the assigned work was completed and if the goals were met. A performance management process is linked to strategic goals and objectives of the University and focuses on the measurement of results.

Remember: A competency assessment documents the employee's possession and demonstration of a competency. Performance evaluation documents the results of the employee using these competencies.

**Overview of the Career Banding Framework**

**Job families** are major groupings of jobs that represent general fields of work where career paths are identified and career planning is emphasized. OSHR has established ten job families:

• Administrative and Managerial	• Institutional Services
• Engineering and Architecture	• Law Enforcement and Public Safety
• Health and Human Services	• Medical and Health
• Information and Education	• Environment, Natural Resources & Scientific
• Information Technology	• Operations and Skilled Trades

Each job family is further categorized into **branches**, which in turn contain **roles**. **Roles** represent the various classifications that have been banded together due to similarities in position attributes, nature and scope of the work, and competencies required to meet business needs.

	Example 1	Example 2	Example 3	Example 4	Example 5	Example 6
<b>Job Family</b>	Environment, Natural Resources and Scientific	Environment, Natural Resources and Scientific	Admin and Managerial	IT	IT	LE/Public Safety
<b>Branch</b>	Research	Research	Social/Clinical Research	Systems	Support	Public Safety
<b>Role</b>	Technician	Specialist	Assistant	Analyst	Technician	Officer

Each role has three competency levels. **Contributing** competency level represents a position that requires entry level competencies to perform the work of that role. **Journey** competency level represents a position that requires mid-level competencies to perform the work of that role. **Advanced** competency level represents a position that requires the highest level of competencies to perform the work of that role. Competencies for each role are available at: [www.osp.state.nc.us/CarerBanding/Specs%20profiles%20crosswalks/Profiles/profiles.htm](http://www.osp.state.nc.us/CarerBanding/Specs%20profiles%20crosswalks/Profiles/profiles.htm)

Each competency level has unique **market rates**. Market rates are regularly monitored by OSHR and adjusted when necessary to reflect changes in labor markets as reported in industry compensation surveys. State agencies and universities may vary from the market rates within limits based on their unique labor market. Compensation is managed around the market rates based on the position’s competency level and the application of the pay factors.

## **Career Banding Pay Philosophy**

It is the goal of the university to compensate employees in career banded positions at levels sufficient to encourage excellent performance and to maintain the labor market competitiveness necessary to recruit, retain and develop a competent and diverse workforce.

Managers are responsible for documenting compensation decisions and are accountable for ensuring employees in career banded positions receive fair and consistent treatment for career opportunities and compensation.

**Pay factors** represent the general parameters within which pay decisions must be made. Managers are accountable for fair and consistent application/documentation of the following pay factors:

**Financial Resources** - The amount of funding (budget) that a manager has available when making compensation decisions based on business need.

**Appropriate Market Rate** - The market rate applicable to the competencies required in the position and as demonstrated by the employee. Consideration is given to contributing, journey, or advanced market rates for the position, related labor market information, and market dynamics.

**Internal Pay Alignment** - The consistent placement of salaries among employees who demonstrate similar required competencies in the same banded class within a work unit or organization.. Consideration is given to equity as it pertains to current salary, market index and total compensation.

**Required Competencies** - The competencies and associated levels that are required based on organizational business need and subsequently demonstrated on the job by the employee. Consideration is given to: minimum qualifications for the position; knowledge, skills, abilities, and related education and experience requirements; duties and responsibilities; training, certifications, and licenses required in the position.

## **Career Banding Pay Plan Provisions**

1. Only active, permanent full-time, part-time, and time-limited, non-probationary SPA employees are eligible for adjustments under this system. Please note limitations described in bullets numbered 2 through 4 below.
2. Employees who have an active disciplinary action are not eligible to receive career banding salary increases.
3. Employees with an overall “Below Good” or “Unsatisfactory” performance rating are not eligible to receive career banding salary increases. Employees with an overall performance rating of “Good” or better are eligible to receive career banding salary increases.

4. Employees on Leave of Absence are not eligible for career banding salary adjustments.
5. Employees must have an Employee Competency Assessment (ECA) on file to be eligible for a salary increase.
6. The career banding salary adjustment request will not be reviewed by the Office of Human Resources (OHR) until:
  - The requested adjustment is initiated in PeopleSoft.
  - All required supporting documentation is completed and submitted to OHR and/or the HR Representative, based on the School's or Division's approval process and level of delegated authority.
7. Career banding salary adjustments are effective on a current basis; they are not retroactive (except for actions to adjust salaries to the overall band minimum with implementation by OSHR of Band Minimum Adjustments). The effective date of any career banding salary adjustment can be no sooner than the beginning of the next pay period in which the department approved the adjustment. The departmental approval date is the date received in OHR, including all required supporting documentation and electronic workflows.
8. Career banding salary adjustments shall **not** be communicated to employees until after the actions have been approved by OHR.
9. Salary adjustments are not mandatory with the exception of salaries below the overall band minimum for the role, and in certain situations where a salary is over the band maximum (i.e., demotions or reassignments).
10. Salaries paid as a result of recruiting shall not exceed the maximum amount published for recruitment purposes in a vacancy announcement (i.e., the published hiring range that was established, budgeted, and approved by the hiring manager).
11. Promotional and re-employment priority: until career banding is implemented for all job families, employees in career banded roles will be assigned a pay grade equivalency only for promotional and re-employment priority purposes as stated in the State Personnel Manual. The pay grade equivalency is not a determining factor in establishing salaries for employees in career banded positions.
12. Employees in career banded positions are eligible for shift premiums and overtime premiums as allowed through the pay policies in the State Personnel Manual and/or University's SPA policies.
13. Career banding adjustments may be recommended for temporary position changes or temporary promotions. Existing HR policies must be followed to support and process requests for all dual, acting, temporary, and secondary appointments.

14. Salaries are expected, but not required, to be within guidelines established for the position's assigned competency level. Application of pay factors may warrant an employee being paid outside of the competency guidelines but not at or above the next competency market rate.

**Department managers are accountable for applying the pay factors and making, justifying and documenting fair, consistent, non-discriminatory, and fiscally responsible recommendations and decisions with regard to managing compensation and internal pay alignment.**

Contributing Competency Level Guidelines: The salary for an employee whose position is classified at the contributing competency level shall be below the journey market rate guidelines but not below the minimum of the overall pay band for the role.

Journey Competency Level Guidelines: The salary for an employee whose position is classified at the journey competency level shall be below the advanced market rate guidelines.

Advanced Competency Level Guidelines: The salary for an employee whose position is classified at the advanced competency level shall be above the journey market rate guidelines unless financial resources or other pay factors prevent this. Salaries shall not exceed the maximum of the pay band for the role.

## **Types of Potential Career Banding Actions:**

### **Salary Actions:**

- A. Career Progression Adjustment
- B. Retention
- C. Band Minimum Adjustments

### **Position Actions (some may result in salary actions above):**

- D. Position Competency Change (*Role remains the same*)
- E. Branch/Role Change (*Reallocation Upward, Lateral, or Downward*)
- F. Disciplinary Demotion

### **Hiring Actions:**

- G. Voluntary Transfer (*Promotional, Lateral, or Reassignment*)
- H. New Hire (*External Hire or Agency Transfer*)

### **A. Career Progression Adjustment:**

- **Intended Use:** Manage salaries within the pay band of the role to which the employee is assigned. An adjustment may be granted in conjunction with demonstrated competencies or as justified through labor market.
- **Required Documentation:** SPA Salary Recommendation Form, current ECA, new ECA documenting the changes and an internal equity report.
- **Salary Eligibility/Impact:** Salary shall be based on application of all pay factors. The salary shall not be less than the minimum nor exceed the maximum of the band. In order to be aligned with the state's policy, salary requests which would result in an employee being paid at or above the market rate of the next higher competency level will not be approved. Salary adjustments will not be approved until both the current and new ECA are submitted to OHR.
- **Required Review/Approvals:** Manager, HR Representative, Classification and Compensation Consultant. Written justification must be submitted to OSHR for review and approval prior to implementing a salary increase of 20% or more. Any request to award a salary increase of 20% or more must be submitted via the SPA Salary Recommendation Form and signed by a Vice Chancellor or Dean. If the Vice Chancellor or Dean has a consistent delegate, the delegate's signature will be acceptable.

### **B. Retention:**

- **Intended Use:** Retain a key employee by awarding a salary increase not covered by other pay administration policies where there is evidence of a comparable job offer from an employer outside the state government structure and/or there is no current employee with substantially equal knowledge, skills and abilities to assume those duties.
- **Required Documentation:** SPA Salary Recommendation Form.
- **Salary Eligibility/Impact:** Reviewed on a case-by-case basis. A career banding adjustment for retention may result in an employee's salary being above the appropriate market rate based on pay factors. The salary shall not exceed the maximum of the band.

- In order to be aligned with the state's policy, salary requests which would result in an employee being paid at or above the market rate of the next higher competency level will not be approved.
- **Required Review/Approvals:** Manager, HR Representative, Classification and Compensation Consultant. Written justification must be submitted to OSHR for review and approval prior to implementing a salary increase of 20% or more. Any request to award a salary increase of 20% or more must be submitted via the SPA Salary Recommendation Form and signed by a Vice Chancellor or Dean. If the Vice Chancellor or Dean has a consistent delegate, the delegate's signature will be acceptable.

### C. Band Revision:

- **Definition:** Any change in a pay band as a result of routine or special labor market reviews by OSHR and approved by the State Personnel Commission. Typically, this will result in a change in the minimum, contributing, journey, advanced and maximum rates for the band but may not necessarily mean a change in all five reference points. However, for a band revision to occur, at least the journey market rate must change.
- **Required Documentation:** None to increase a salary to the pay band minimum. SPA Salary Recommendation Form for salary increases above the pay band minimum; standard PeopleSoft processing.
- **Salary Eligibility/Impact:** Salary increases as a result of band revisions are not rewards for job performance, assumption of greater responsibility or achievement of higher competency levels. Increases provided by this policy are for maintenance of market competitive pay levels for affected employees. Salary increases shall be awarded at least to the minimum of the band. Salary increases above the band minimum are subject to availability of funds, satisfactory performance and application of the pay factors. Salary increases above the minimum of the band shall not exceed the percentage difference between the old journey market rate and the new journey market rate.
- **Required Review/Approvals:** Manager, HR Representative, OHR/Classification and Compensation Consultant.

### D. Position Competency Change (role remains the same):

- **Intended Use:** When a manager, in conjunction with OHR, determines and documents that the required competencies of the position change (upward or downward) within the current assigned role. This can occur due to reorganization or due to departmental needs to redefine the competency level required within the current role. The action is involuntary on the part of the employee and is not used for disciplinary actions.
- **Required Documentation:** Current Position Description Form; SPA Salary Recommendation Form, current ECA, new ECA documenting changes, and internal equity report. The new competency assessment can be completed concurrently but shall be completed within 90 days of the competency change and retained in the department file.
- **Salary Eligibility/Impact:** Salary actions shall be based on application of all pay factors. In order to be aligned with the state's policy, salary requests which would result in an



employee being paid at or above the market rate of the next higher competency level will not be approved. Salary adjustments will not be approved until both the current and new ECA are submitted to OHR.

- **Required Review/Approvals:** Manager, HR Representative, Classification and Compensation Consultant. Written justification must be submitted to OSHR for review and approval prior to implementing a salary increase of 20% or more. Any request to award a salary increase of 20% or more must be submitted via the SPA Salary Recommendation Form and signed by a Vice Chancellor or Dean. If the Vice Chancellor or Dean has a consistent delegate, the delegate's signature will be acceptable.

#### **E. Branch/Role Change (reallocation initiated by the manager):**

- **Intended Use:**
  - Branch/Role Change Upward is used when a manager and OHR jointly determine and document that a position has evolved to a role that has a higher assigned market rate. This can occur due to a reorganization or due to departmental needs to change the position to a higher competency rate within the same branch/role or to a new branch/role with a higher competency market rate.
  - Lateral Branch/Role Change is used when a manager and OHR jointly determine and document that a position has evolved to a different role, but with the same assigned market rate. This can occur due to reorganization or due to departmental needs to change the position to a role with the same competency market rate.
  - Branch/Role Change Downward is used when a manager and OHR jointly determine and document that a position has evolved to a role that has a lower competency market rate. This can occur due to reorganization or due to departmental needs to change the position to a role with a lower competency market rate.
- **Required Documentation:** Position Description Form, SPA Salary Recommendation Form (electronic in HRIS if salary is changing) current ECA, and new ECA documenting the changes, internal equity report and Organization Chart. The new competency assessment can be completed concurrently but shall be completed within 90 days of the competency change and retained in the department file.
- **Salary Eligibility/Impact:** Salary actions shall be based on application of all pay factors. No salary adjustment is required for a lateral or upward branch/role change; however, the salary may be impacted as a result of the pay factors. The salary shall not be less than the minimum nor exceed the maximum of the band. For a branch/role change downward, salary must be reduced if it exceeds the band maximum; the reduction must be concurrent with the change. In order to be aligned with the state's policy, salary requests which would result in an employee being paid at or above the market rate of the next higher competency level will be disapproved. Salary adjustments will not be approved until both the current and new ECA are submitted to OHR.
- **Required Review/Approvals:** Manager, HR Representative, Classification and Compensation Consultant. Written justification must be submitted to OSHR for review and approval prior to implementing a salary increase of 20% or more. Any request to award a salary increase of 20% or more must be submitted via the SPA Salary Recommendation Form and signed by a Vice Chancellor or Dean. If the Vice Chancellor or Dean has a consistent delegate, the delegate's signature will be acceptable.

#### **F. Disciplinary Demotion:**

- **Intended Use:** When an employee is demoted, due to performance or conduct, and:
  - an employee is moved from one position to another with the same branch/role with a lower competency level, or
  - when an employee is moved from one branch/role to another with a different branch/role with a lower market rate, or
  - a reduction in salary occurs within the same branch/role/competency level.
- **Required Documentation:** Performance Evaluation Form and related documentation.
- **Salary Eligibility/Impact:** Reviewed on a case-by-case basis. The department may elect to reduce an employee's pay along with a demotion in role. The department may also elect to move an employee's pay from one competency level to a lower competency level (e. g. from journey to contributing) based on a disciplinary action, even though the actual competency level of the position is the same (e.g. journey level). When demotion results in movement to another role, salary shall be reduced if it exceeds the maximum of the pay band. When a demotion results in a salary reduction in the same role, salary may not be less than the minimum of the pay band. A salary reduced by disciplinary action may be less than the appropriate rate based solely on the application of the pay factors. In order to be aligned with the state's policy, salary requests which would result in an employee being paid at or above the market rate of the next higher competency level will not be approved.
- **Required Review/Approvals:** Manager, HR Representative, Classification and Compensation Consultant & Employee and Manager Relations Consultant.

#### **G. Voluntary Transfer (initiated by the employee):**

- **Intended Use:**
  - A Promotional Voluntary Transfer is used when an employee moves (through the job posting and selection process) from one position to another with the same branch/role with a higher competency level or when an employee moves to a different branch/role that has a higher assigned competency market rate.
  - A Lateral Voluntary Transfer is used when an employee moves (through the job posting and selection process) from one position to another with the same branch/role with the same competency level or when an employee moves from one position to another with a different branch/role with the same competency market rate.
  - A Reassignment is used when an employee moves (through the job posting and selection process, or voluntarily in lieu of a layoff) from one position to another with the same branch/role with a lower competency level or when an employee moves from one position to another with a different branch/role with a lower competency market rate.
- **Required Documentation:** Application for Staff Employment, Selection Document, SPA Salary Recommendation Form, and an internal equity report.. A Competency Assessment shall be completed within 90 days of transfer and retained in the department file.
- **Salary Eligibility/Impact:** Salary actions shall be based on application of all pay factors. No salary adjustment is required for a Promotion or Lateral Transfer; however, the salary

may be impacted as a result of the pay factors. The salary shall not be less than the minimum nor exceed the maximum of the band. For a Reassignment, the salary must be reduced if it exceeds the band maximum and the reduction in salary must occur the day the reassignment takes effect. In order to be aligned with the state's policy, salary requests which would result in an employee being paid at or above the market rate of the next higher competency level will not be approved.

- **Required Review/Approvals:** Manager, HR Facilitator, Classification and Compensation Consultant. Written justification must be submitted to OSHR for review and approval prior to implementing a salary increase of 20% or more. Any request to award a salary increase of 20% or more must be submitted via the SPA Salary Recommendation Form and signed by a Vice Chancellor or Dean. If the Vice Chancellor or Dean has a consistent delegate, the delegate's signature will be acceptable.

#### **H. New Hire (External Hire or Agency Transfer):**

**Intended Use:** Initial employment or re-employment of an individual to a career banded role.

**Required Documentation:** Application for Staff Employment, Selection Document, SPA Salary Recommendation Form. A Competency Assessment shall be completed within 90 days of hire/transfer and retained in the department file.

**Salary Eligibility/Impact:** Salary actions shall be based on application of all pay factors and shall be within published salary range. Salary with reinstatement from Leave Without Pay (LWOP) into previous position will be at the previous rate (including mandatory salary adjustments) unless a higher rate is justified based upon the pay factors. The salary shall not be less than the minimum nor exceed the maximum of the band. In order to be aligned with the state policy, salary requests which would result in an employee being paid at or above the market rate of the next higher competency level will be disapproved.

**Required Review/Approvals:** Manager, HR Representative, Employment and Staffing Consultant.

#### **Summary of Documentation Requirements for Career Banding Actions:**

If a manager has a form on file with the appropriate specialist within OHR that is current and up-to-date, it is noted in the table below that a current form will suffice to support the requested career banding action.

If a current form is listed in a column below, but one is not maintained on file with the appropriate specialist within OHR, then the manager shall submit a new form to the appropriate specialist along with the requested action.

Managers are required to submit a new or updated form if the table below indicates new in that column.

<b>Career Banding Action Type</b>	<b>Performance Management and Competency Assessment Form</b>	<b>Salary Recommendation Form</b>	<b>Position Description Form</b>	<b>Org Chart</b>
<b>Salary Actions:</b>				
A. Career Progression Adjustment	<b>Current + New ECA</b>	<b>New</b>	<b>Current</b>	
B.. Retention		<b>New</b>		
C. Band Minimum Adjustments				
<b>Position Actions (some may result in salary actions above):</b>				
D. Position Competency Change	<b>Current +New ECA *</b>	<b>New</b>	<b>New</b>	<b>New</b>
E. Branch/Role Change	<b>Current +New ECA*</b>	<b>New</b>	<b>New</b>	<b>New</b>
F. Disciplinary Action		<b>New</b>		
<b>Hiring Actions:</b>				
G. Voluntary Transfer	<b>New*</b>	<b>New</b>	<b>Current</b>	<b>Current</b>
H. New Hire/Agency Transfer	<b>New*</b>	<b>New</b>	<b>Current</b>	<b>Current</b>

\*Must be submitted within 90 days of action. Salary actions shall be based on application of all pay factors.

**Please note:** Internal pay alignment analysis performed by managers for peer positions shall consider: market index; position-based attributes such as branch, role, competency level, and job scope; and person-based attributes such as demonstrated competencies and demonstrated results. Managers will apply pay factors correctly and fairly in determining employee compensation in accordance with Federal EEO laws and regulations.

Managers make recommendations through the appropriate School or Division channels for approval of career banding salary actions. OHR then reviews and approves the career banding action requests.

OHR/Classification and Compensation will continue to evaluate and monitor salary administration trends, as well as individual actions and will, in partnership with

## **Roles:**

Understanding the roles and responsibilities of each part – employee, manager, OHR Staff, and OSHR – in the career banding system is critical. Roles and responsibilities for each are identified as follows:

### ***Role of the Manager:***

- Introduce, educate and train employees to the career banding system
- Recruit, select and develop a qualified, motivated and diverse workforce
- Assess the competencies of employees
- Assist employees as they develop competencies that are needed and valued by the University
- Advise employees as they develop competencies that are needed and valued by the University
- Advise employees on career development; jointly develop individualized career development plan
- Use pay factors in recommending and managing employees pay
- Document and explain pay recommendations

### ***Role of University HR Staff (OHR and School/Division HR Officers):***

- Orient employees and managers
- Implement the career banding program
- Train and consult with managers on compensation issues
- Monitor application of the University's pay philosophy
- Monitor for fairness, consistency and effectiveness
- Evaluate the need for updated or new market rates

### ***Role of the Employee:***

- Contribute to the accomplishment of the University's mission through continuous demonstration and development of required competencies
- Take responsibility for career development
- Develop competencies