

**The University of North Carolina at Charlotte  
Career Banding Salary Administration Plan  
Effective January 1, 2009**

In an effort to enhance recruitment and retention efforts by becoming more competitive in the labor market and also improve career advancement opportunities, UNC Charlotte supports a career banding salary administration program for employees subject to the State Personnel Act (SPA). UNC Charlotte's career banding program was developed under guidelines provided by the Office of State Personnel.

It is the goal of UNC Charlotte to compensate its career banded employees at a level that emphasizes demonstrated competencies linked to business needs and organizational goals; recognizes competency development; and maintains the labor market competitiveness necessary to recruit, retain and develop a competent and diverse work force. The career banding program is structured to ensure that employees in the program receive equitable treatment for career development opportunities and compensation.

UNC Charlotte's career banding program is designed to provide opportunities for employees to be compensated for the attainment of new knowledge and skills when business needs demand that employees apply and demonstrate acquired competencies while supporting the university's mission and goals. The career banding program is competency-based, with compensation being labor market driven as well as based on additional pay factors of funding availability and internal equity concerns. As competencies are developed through education, training, and practical experience and applied to evolving needs in the workplace, employees become eligible for salary adjustment consideration. UNC Charlotte will consistently apply the Career Banding Policy and Salary Administration Plan in order to compensate employees appropriately based on the demonstration of new or higher level competencies as they are required to meet documented business need, within the appropriate salary ranges present in the labor market.

The Career Banding program is designed to facilitate increased employee satisfaction and assist in reducing turnover by:

- Defining and communicating the competencies needed for career advancement;
- Providing opportunities for employees to be compensated for the attainment of new knowledge and skills applied to evident business needs.

**Key Factors for developing the UNC Charlotte's Compensation Philosophy**

The Charlotte employment market remains competitive and continues to grow. Given both the Charlotte market and our ongoing growth needs, UNC Charlotte must continue to focus our resources and program efforts to maintain labor-market competitiveness necessary to recruit and retain a talented work force.

UNC Charlotte's mission identifies our commitment to competitive research, creative programs, and community engagement. The university's focus on applied research and technology transfer translates into a business need for scarce research concentrations and skills. To continue these programs we will need to continuously manage strategic resources that will require us to maintain a fair and equitable program that encourages growth and retention.

Based on these needs, UNC Charlotte's pay strategy for employees with valid documentation of overall competency demonstrated at the same career band level as their position will be to pay at 100% of the established market reference rate for the positions career band and competency level when funding is available. This strategy will be consistent across all job families and will provide exciting opportunities that will motivate our employees to ensure a sustainable, highly talented staff for our future.

## **Compensation Strategy**

The strategies listed below are in priority order:

1. All employees will be paid at or above the minimum of the salary range appropriate for the position. Should the salary ranges be adjusted upward resulting in employee salaries falling below the minimum, adjustments to the minimum will be made. This is required by OSP for SPA employees, and will be followed consistently for all employees.
2. Salaries will be set within the appropriate classification salary range and will not be below the minimum or above the maximum of the pay range.
3. It is the University's goal to pay all employees at the target market rate for all job families. Employee salaries that are within the halo range (between 10% below and 10% above market) will be considered acceptable.
4. In advancing employee salaries toward the target market rates, the University will make salary adjustments as funding becomes available.
5. As employees progress through their careers, many will build new competencies and perform more and higher level duties over time. For SPA employees this will be referred to as Career Progression. Human Resources will establish a process whereby the competencies of individuals are reviewed by Job Family (ITS, Administrative/Managerial, etc.) at least once every three years.

In addition, Vice Chancellors will have an opportunity, to request a review of individual positions for reclassification within their divisions. Career progression increases will require an updated competency assessment prior to approval, and will be subject to funding availability.

Funding will be allocated in accordance with the priorities listed above, unless otherwise determined by UNC Charlotte Senior Staff. Exceptions may include: areas of critical need, security and safety of the campus, labor market changes, or other critical and/or unusual situations. All exceptions to this process are subject to available funding, will be reviewed for equity and must be approved by the AVC of Human Resources and the Director of Compensation & Position Management.

While it is the intent of the University to apply this strategy equally to State-funded and receipt-funded positions, deviation may occur between general and receipt funds. Exceptions require the approval of UNC Charlotte Senior Staff.

### **Human Resources Office Responsibilities**

- The Director of Compensation and Position Management will serve as the Career Banding Administrator. The administrator will oversee the career banding program, ensuring that effective communication, training, evaluation, accountability, and equal opportunity are strong components.
- The Human Resources Department (HR) will provide initial training for managers in career banding. As changes occur with career banding and as new managers are hired, HR will provide continued training.
- The Classification and Compensation unit of the Human Resources Department will review all requests for career progression increases related to changes in job descriptions or competency assessments. No salary changes will occur unless authorized by a classification and compensation consultant. The Human Resources Employment unit is responsible for reviewing and approving the salaries of all new hires, promoted employees, and reassigned employees. The Salary Administration Plan and the university's SPA pay strategy are administered by the HR department to ensure that approved salaries are consistent with career banding policy and pay factors.

- Until the Career Banding salary administration program is fully understood, HR will monitor career progression increase requests to ensure that managers understand how to apply the competency profiles to specific employees in specific positions. HR consultants will also evaluate career progression increase requests for proper application of the Pay Factors and interact with managers to explain how to use them in making sound compensation decisions.
- The Human Resources Department will work with senior administrators to encourage more management training for all supervisors, particularly training related to the career development of employees.
- HR will manage a salary adjustment approval process as follows:
  - HR will provide guidelines/parameters to the departments on what salary increases are appropriate and how salary determinations are made.
  - When business needs of a unit impact the competencies necessary to complete work assignments, supervisors apply for resources through their chain of supervision to fund career progression increase requests. Requests are then sent forward through the budget office to an HR consultant with a revised competency assessment and in some cases, a revised position description.
  - If the revised competency assessment documents a change in functional competency ratings and is validated by an HR consultant, then the consultant will approve a salary adjustment for the employee based on career banding pay factors.
  - If a revised job description indicates the need for a position competency level change or reallocation to a different career band, the consultant will review the request and approve a change consistent with application of the pay factors.
  - Since UNC Charlotte's compensation target is 100% of the established market reference rate, a salary request for compensation above market must be documented by the submission of a competency assessment indicating that an employee is responding to business needs by developing new competency and demonstrating some functional competencies above the overall required competency level of the position.
  - Salary adjustments to be recommended or awarded will not exceed the maximum of the career band level. HR will require additional documentation and consult with hiring managers regarding percentage increases of more than 10% after the compensation has reached published market level.
- HR will conduct periodic self-assessments of the career banding program including, but not limited to the following:
  - Tracking dispute resolution decisions resulting from career banding salary adjustment decisions
  - Determining if the career banding salary administration plan policy has been provided in writing to employees
  - Determining if pay factors have been applied appropriately and consistently in compliance with the plan
  - Ensuring that supervisors address career development and advancement in the Career Development section of the competency assessment.
  - Ensuring that departments do not engage in unlawful discrimination

- HR will report results of the program self-assessments to the Office of State Personnel (OSP) at least annually, more often if required. Detailed information will be released to OSP for monitoring purposes as requested.
- The Associate Vice Chancellor for Human Resources and the Director of Compensation and Position Management will use the position action tracking system, compensation reports, and consultants' input to determine when and to what extent managers may be granted increased authority over compensation decisions.

### **Management Responsibilities**

- Departments will ensure that the career banding concept is communicated to all employees and will schedule any needed training on career-banding.
- Hiring supervisors and managers will establish career development plans and provide employee coaching with a goal of enhancing each employee's contribution to the organization's success at the highest level allowed by the business need.
- Management will apply general knowledge of appropriate organizational structure and hierarchies to prevent duplication of responsibilities and tasks; considering the scope of each position's impact in relationship to others prior to the assessment of competencies.
- Hiring supervisors and managers will evaluate employees' competencies upon entrance into any career banded position to determine competency level based on the results of a competency-based interview, targeted selection and other assessment tools. As position needs develop and employees increase competencies in response, a competency assessment is completed and submitted to HR as documentation supporting a career progression increase request.
- Supervisors are required to review every employee's competency assessment on a three year cycle.
- Pay factors will be applied equitably. Pay factor evaluation will occur with each action as defined in policy: New Hire, Promotion, Reassignment, Reallocation, Demotion, and Grade to Band Transfer.

#### Pay Factors:

- **Financial Resources** - The amount of funding that a manager has available when making pay decisions.
- **Appropriate Market Rate** - The market rate applicable to the functional competencies demonstrated by the employee, assessed by the supervisor, and validated by HR.
- **Internal Pay Alignment** - The consistent alignment of salaries for employees who demonstrate similar required competencies in the same banded class within a work unit or organization.
- **Required Competencies** - The functional competencies and associated levels that are required based on organizational business need and demonstrated on the job.

Pay factor evaluation will also occur with the following situations to determine if a Career Progression Adjustment may be warranted:

- Attainment and demonstrated use of competencies or skills at new levels within the same career band, following the assignment of additional or different duties within the same band

(example: Position requires Journey competencies; out of 6 competencies, employee's demonstrated competencies are documented as AJAJJJ).

- Recognition of low employee salaries in relation to market reference rate
- Retention of employee who has a job offer from an organization external to the university or State of North Carolina
- Management will provide documentation for each salary adjustment request describing the relevance of pay factors to the decision; for example,
  - **Career progression – market** is used when the request is to increase an employee's salary closer to the MRR of the career band level;
  - **Career progression – comp/skill** is used when one or more competencies are demonstrated at a higher level and current salary is less than appropriate rate considering Pay Factors. Overall competency level changes only if the position competency level is changed.
- A salary adjustment request should be based on a manager's informed estimate of the amount of pay that an employee will be granted after applying the pay factors.
- Consequently, management must be familiar with the career bands to which positions in his or her unit belong, understand variations from one level of competency to another, consult the market reference rates and ranges for career bands and levels, and be aware of possible equity concerns.

### **Employee Responsibilities**

- Employees, in conjunction with supervisors, will review competency profiles and competency assessment forms to ensure an understanding of the required competency level of their positions.
- Employees will attend meetings, information sessions, etc. that will provide explanation of the career banding program.
- Employees assume the responsibility for following the dispute resolution process if they believe that an inaccurate competency assessment has impacted their compensation based on the pay factors. Employees must notify their immediate supervisor within the established time frame that they are initiating the dispute resolution process as described below. The employee must submit his/her documentation which represents the basis for reconsideration.

### **Dispute Resolution Process**

A dispute resolution process within UNC Charlotte will allow employees to have individual career banding salary decisions reviewed by a source beyond the initial decision maker.

**Salary decisions which are based upon unavailability of funding are not eligible for consideration in the dispute resolution process.**

Salary decisions which are eligible for consideration must be based on one of the following:

- Amount of salary adjustment is less than the appropriate amount as determined by the application of the pay factors.
- No salary adjustment has been granted when the application of the pay factors would support an adjustment.

- Overall assessed employee competency level is rated lower than expected based on (employee) competencies demonstrated during the performance of job duties.

An employee must document the basis for salary reconsideration using the process outlined in Section 5 of UNC Charlotte Personnel Information Memorandum (PIM) 35. The timeframe for filing a dispute is stated in this policy as follows: *“All grievances must be presented to the immediate supervisor within fifteen (15) calendar days of the occurrence which gave rise to the grievance or within fifteen (15) calendar days of the date the employee had reason to know of the occurrence.”* Where possible and absent extenuating circumstances, resolution will be completed within 60 days after documentation is submitted to the HR office.

Disputes of this nature are not open for grievance to the Office of State Personnel absent allegations of discrimination. Any pay disputes resulting from career banding will be tracked and independently reviewed by Employee Relations in accordance with the established process and time limits.

#### **Career Banding Employee Advisory Committee:**

A Career Banding Employee Advisory Committee (representative of UNC Charlotte demographics, organizational level and occupational areas), will review and consult with HRS regarding the implementation and operation of the career banding program. The committee will help to communicate principles, practices, and policies supporting Career Banding and will regularly advise the Career Banding Program Administrator regarding concerns or issues or provide suggestions to ensure the successful implementation, and administration of the program. The committee members are recommended by University managers and selected by the Associate Vice Chancellor for Human Resources.

### **Compensation**

#### **Current Employees:**

- **Career Progression Adjustment:** Salary adjustments awarded to recognize:
  - An employee’s progression through a pay band on established competency structure; (Comp/Skill)
  - Assignment of additional duties and responsibilities; (Job Change)
  - Realignment of banded classification salary ranges approved by OSP based on market conditions. (Market)
  - A salary not aligned with others in relationship to the market. (Market)

Advancement through the pay band is a non-competitive process. Salary adjustments may be awarded (but are not mandatory) to recognize documented demonstration of competency applied to business, the assumption of additional duties and responsibilities, and/or market factors. Salary adjustments will be justified based on competencies, knowledge, skills, abilities, magnitude of job change, internal equity, market conditions, and other relevant factors. The four pay factors are (1) Funding availability; (2) Appropriate market rate/range; (3) Internal Equity; and (4) Review of demonstrated competencies.

After initial band and level designation, either upon implementation or hiring, employees will be considered for career progression adjustments based on their competency assessment ratings. Supervisors will document any new responsibilities added to the position requiring a new level of competency. During the annual appraisal review, the supervisor reviews the competency assessment documentation on file to ensure its current accuracy. If required and demonstrated levels of competency have changed, the supervisor should plan to include a compensation increase for the employee in the next salary budget request. A revised competency assessment is submitted to the HR department with a budget request for a career progression increase.

Departmental supervisors may recommend adjustments of any dollar amount of the employee’s current annual salary not to exceed the maximum of the market range to which the position and overall competency are assigned, based on the supervisor’s documentation of demonstrated competencies

submitted by competency assessment. If demonstrated overall competency has changed, the supervisor's reviewer and HR will review the competency assessment documentation prior to employee signature on the form. Appropriate justification must accompany any request for career progression increase based on competency assessment. Justification should include information regarding the following: the development and demonstration of higher level competencies, the attainment (method of validation) of additional knowledge and skills, job change, and/or internal equity concerns.

Career progression adjustments based on competency development or newly required competencies added to the job may not be approved in the following cases:

- Requests for increases over 20%
- Requests for increases creating a total increase of over 20% for an employee over a 12 month period
- Requests for increases that create more than a 10% inequity between two employees in the same career band with similar competency assessments.

- **Reallocation:** The assignment of a banded position/employee to a different career banded class to recognize change in duties, responsibilities and competencies as documented through job analysis. Reallocations could result in assignment to a career banded class with a higher or lower journey market rate. Level changes within the same career banded class are known as Position Competency Level Changes.

If the assignment is to a career band level with a higher journey market rate, the salary will be based on the application of all pay factors. The salary shall be increased at least to the minimum of the new band level. If the assignment is to a career band level with a lower journey market rate, the salary will be based on the application of all the pay factors; however, if the current salary exceeds the appropriate rate, the salary may be maintained except must not exceed the maximum of the new pay range.

Note: If the duty change is due to lack of demonstrated competencies/ motivation/ capability/acceptance or responsibility, then the appropriate disciplinary action in regards to demotions should be followed. Refer to the Demotion Section of the plan for salary guidelines.

- **Position Competency Level Change:** If demonstrated, documented competency levels in a majority of functional competencies required for the position have changed and management recognizes that the changes have permanently affected the level of work expected in the position in terms of complexity an/or independence of action, the position description should be revised and submitted for position competency level change review.
- **Probationary Adjustments:** Employees may be considered for salary adjustments at the successful completion of probation based on the submission of a competency assessment documenting demonstration of competencies at a higher level than initially used when setting hiring rate. After permanent status is awarded, consideration for adjustments will be based on further competency development as business need allows, or changing business needs which impact the position.
- **Promotions:** Promotions will be awarded through a competitive process to include posting of the vacancy, interview, and formal assessment procedures.

Normally, if employees are promoted from one career band to a different career band and the market reference rate of the required competency level of the new position is higher than the market reference rate of their previous band level, they may be paid at the new market rate, but must be paid within the new market range. It is recommended that the supervisor start the employee in the new position below market until new competencies are being demonstrated.

If employees are promoted to a higher competency level within the same career band, they may also be paid at the new market rate. However, the supervisor may start the employee in the new position below market until new competency levels are demonstrated.

Salary adjustments, when awarded for employees who are promoted within a band or to a higher band, should reflect the appropriate level of demonstrated competencies. If funds are not available, an increase may be considered at a later date based on a future evaluation of the pay factors. The future adjustment must be made on a current basis, not retroactive. Salaries will be determined based on the pay factors and may not exceed the maximum of the range.

- **Reassignment:** (1) Employee movement from one position to another with the same career banded classification but a lower competency level or (2) Employee movement from one position to another with a different career banded classification and a lower journey market reference rate.

The salary shall be based on application of all Pay Factors. If the employee's current salary exceeds appropriate rate based on the Pay Factors and reassignment is not by employee choice, salary may be maintained, except the salary may not exceed the maximum of the banded class salary range. If reassignment is by employee choice, the option to maintain the salary above the appropriate pay rate is not applicable.

- **Demotion:** A change in employee status due to disciplinary action resulting in:
  - employee movement from one banded position to another with the same banded classification but to a lower competency level, or
  - employee movement from one banded position to a different banded classification with a lower journey market rate, or
  - reduction in salary within same banded class.

Demotion salary cannot be less than the minimum of the pay range or exceed the maximum of the pay range. The salary may be less than the appropriate rate based on pay factors.

- **Retention Adjustment:** If a key employee receives a job offer from an employer outside the State government structure and there is no current employee with substantially equal competencies to assume those duties, a retention pay increase may be awarded to retain that key employee. The salary shall not exceed the maximum of the pay range. The retention adjustment may result in an employee's salary being above the appropriate rate based on the pay factors.
- **No In Range Adjustments in Career Banding:** The term "in-range adjustment" was used uniquely for pay adjustments in the graded system and is no longer valid.

### **New Hires:**

- **Initial Competency Rating:** Selected candidates will be given an estimated overall competency rating based on the application and interview process and subject to approval by the Employment Manager. New employees possessing the minimum qualifications and competencies at the contributing level shall normally be paid between the minimum and reference rate of the contributing band within the banded class. If the new employee possesses competencies and qualifications that are above the minimum standards, the salary may be established at a higher rate within the range assigned to the band and level. The pay factors, as stated in the plan, will be considered in determining the new employee's salary. New hires that do not meet the minimum qualifications and competencies for the contributing level will be compensated below the contributing market reference rate.
- **Grade to Band Transfer:** If an employee transfers into UNC Charlotte from a state classification with a salary grade to a career banded position, a salary adjustment may or may not be awarded. The appropriate salary level for the individual will be determined based on application of all the pay factors. Salaries that are below the minimum of the assigned career band must be adjusted to the minimum when funds become available.
- **Processing Actions:** Departments and HR will process salary adjustments using the system action reasons and codes designated by OSP.



- **Effective Dates:** The effective date for all personnel actions for career-banded employees shall normally be based on the date of signature in the Budget Office, providing all necessary supporting documentation in terms of position descriptions and required competency assessments have been submitted by that date. In most cases, salary adjustments will be effective no earlier than the start date of the payroll period following the date of budget signature approval on the budget request form (BREMP).

### **Definitions**

**Banded Classification:** A broadly defined class concept that incorporates related groups of former graded classifications resulting in vertical and/or horizontal integration of work.

**Banded Classification Series:** A group of banded classifications that represents the full range of work performed from entry level through the management level.

**Competencies:** Knowledge, skills and abilities that contribute to success in the job and to the organization's mission and goals.

- **Contributing Competencies:** The span of knowledge, skills and abilities (1) consistent with competencies required in positions paying at the lower end of the entire career band range and (2) meeting a business need as described by the “contributing” level of the competency profile. Positions requiring contributing competency may be entry level, of more limited scope, or have less delegated authority than journey level positions.
- **Journey Competencies:** Fully acquired knowledge, skills and abilities (1) consistent with competencies required in positions paying near the Journey market reference rate of the career band and (2) meeting a business need as described by the “journey” level of the competency profile. Positions requiring journey competency demand higher education, experience, and skill levels from employees than positions at the contributing level.
- **Advanced Competencies:** The highest or broadest scope of knowledge, skills, and abilities (1) consistent with competencies required in positions paying at the higher end of the entire career band range and (2) meeting a business need as described by the “advanced” level of the competency profile. Positions requiring advanced competency make up the smallest percentage of all SPA positions. These positions fill unique leadership roles and necessitate the application of advanced institutional and program knowledge and/or highly developed technical expertise as described by the advanced level of the competency profile.

### **Career Band and Market Rates and Ranges:**

**Pay Range:** A broad pay range (minimum to maximum) assigned to a career band. These broad career band ranges will include market ranges for three levels within each band labeled contributing, journey, and advanced.

**Contributing Market Rate:** The average salary of competitors in the relevant labor market for positions with similar qualifications and competency requirements consistent with those of positions at the contributing level of the career band.

**Journey Market Rate:** The average salary of competitors in the relevant labor market for a banded class as determined by comparisons of benchmark jobs.

**Advanced Market Rate:** The average salary of competitors in the relevant labor market for positions with similar qualifications and competency requirements consistent with those of positions at the advanced level of the career band.

**Market Reference Rate:** A market rate determined by comparing benchmark jobs to relevant local, state, or national market data that allows geographical market flexibility in establishing appropriate market relationships. Within the statewide bands, UNC Charlotte may establish specific labor market reference rates for its career banding program.

**Competency Level Range:** The range of pay below and above the market rate for each competency level necessary to build a continuous pay band.