



CAREER BANDING SALARY ADMINISTRATION POLICY

08.340

Authority: Chancellor

History: Established November 10, 2004; Revised October 7, 2007;
Revised November 11, 2008

Source of Authority: UNC Policy Manual 300.3.1[R]

Related Links: Office of State Personnel Manual, Section 4
Career Banding Dispute Resolution form located at:
http://www.uncw.edu/hr/documents/08.340_CareerBandingDisputeResolutionForm.pdf

Responsible Office: Human Resources

I. Career-Banding Compensation Policy

It is the policy of the University of North Carolina at Wilmington to compensate employees who are assigned to Career Bands at a level sufficient to encourage excellence of performance that contributes to UNCW's mission and strategic goals, and to maintain the labor market competitiveness necessary to recruit, retain and develop a competent and diverse work force.

It is a goal of the university to pay its career-banded employees at a competitive salary that corresponds to the employee's competency rating, subject to limitations imposed by available funding, the position's business need, and equity. Salaries will be set within band pay range guidelines, as established by the Office of State Personnel (OSP), but not below the minimum or above the maximum of the band pay range.

II. Covered Employees

Employees Subject to the Personnel Act (SPA) with trainee, probationary, permanent or time-limited appointments are assigned to a banded classification, and will receive fair and equitable treatment for career opportunity and compensation. Career Banding Salary Administration policy and guidelines will be applied consistently for all employees.

III. Responsibilities

- A. The **chancellor** and the UNCW **cabinet** are responsible for determining overall priorities concerning all salary increase programs and assuring that the career-banding program is conducted in a fair and consistent manner.
- B. **Department chairs, directors and managers**, in consultation with Human Resources, are responsible for communicating career banding to employees, identifying appropriate role competencies and applying pay factors for equitable determination of employee salaries in compliance with UNCW's Career Banding Salary Administration Policy. Managers are accountable for consistent

application of the career banding concepts, evaluation of employee's initial and continuing level of competency, establishment of career development plans and documentation of pay decisions annually or upon attainment of demonstrated competencies.

- C. **Human Resources** is responsible for administering the career banding salary administration policy in conjunction with other salary administration policies, and providing consultation and oversight of all program areas including communication, employee and manager training, and program evaluation
- D. The **EEO/AA Officer/Director of Human Resources** is designated as the career-banding administrator to ensure that the program is administered on a non-discriminatory basis and all necessary components are in place for an effective program.
- E. **Employees**, in conjunction with managers, are responsible for career self-management in developing competencies and skills valued by the organization and for contributing to the success of the organization through continued demonstration of those competencies.

IV. Background

UNC Wilmington completed its implementation of career banding in FY 2007-2008. A **Career Band** represents compression of multiple job titles into a broadly defined occupational group with generic titles linked by similar labor markets, general nature of work, and specific competencies that represent the knowledge, skills and work behaviors that contribute to success on the job. The career banded salary structure represents a wide pay scale that recognizes the full range of work and compensation from entry level through management in a field of work or occupational area. Career banding compensation integrates multiple factors such as university programmatic and business goals with relevant labor market information, management accountability and employee career development and responsibility.

V: Career-Banding Compensation Strategy

A. Use of Centralized Funding (when available)

In general, it is the university's priority to fund, whenever possible, in priority order as follows:

1. employee salaries to the Minimum of the banded range;
2. employee salaries to the Contributing Reference Rate (CRR);
3. employee salaries to the Journey Market Rate (JMR); and
4. employee salaries to the Advanced Reference Rate (ARR).

Funding for salary increases (for appropriated positions) has historically come from budget allocations from the UNCW cabinet and from the General Assembly's Salary Adjustment Fund. Central budget allocations from the cabinet will be allocated in accordance with the priorities listed above, unless labor market and/or turnover information, compiled by Human Resources, or new programmatic priorities (such as

a new department) indicates a different priority is needed. Funds from the Salary Adjustment Fund must be allocated in accordance with the guidance from the General Assembly.

B. Use of Divisional Funds

Divisions may use their respective salary reserves to allocate funds as long as such allocations are in accordance with this policy and are supported by the prescribed Pay Factors (below).

VI. Salary Administration

Compensation decisions for employees assigned to Career Bands will be determined by managers with appropriate division and Human Resources oversight. Managers will assess employee competencies and recommend salary adjustments considering the following pay factors.

A. Pay Factors:

1. Financial Resources -The amount of funding that a manager has available when making pay decisions.
2. Required and Demonstrated Competencies - The functional competencies and associated levels that are required based on organizational business need and subsequently demonstrated on the job by the employee, and the employee's overall contributions and effectiveness:
3. Internal Pay Alignment (Equity) - The consistent alignment of salaries among employees who demonstrate similar required competencies in the same banded class within a work unit or organization.
4. Appropriate Market Rate - The market rate applicable to the functional competencies demonstrated by the employee.

B. Market Rates and Market Reference Rates

OSP determines labor market rates and market reference rates that correspond to competencies for initial employment and career progression through the career salary band. With OSP approval, UNCW may modify market reference rates if local labor market conditions warrant it.

1. **Contributing (CRR – Contributing Reference Rate)** – span of knowledge, skills and demonstrated abilities minimally necessary to perform a job from entry up to the journey competencies recognized for this class.
2. **Journey (JMR – Journey Market Rate)** – full knowledge, skills and abilities demonstrated on the job that is beyond the contributing competencies.
3. **Advanced (ARR – Advanced Reference Rate)** – highest or broadest scope of knowledge, skills and abilities demonstrated on the job that illustrates those that are beyond journey competencies.

VII. Definitions of Personnel Actions

A. Reinstatement

Definition: Reemployment of a former employee into a banded position after a break in service or reemployment of an employee in a banded position from leave without pay (LWOP).

Salary Eligibility: Salary shall be set based on application of all Pay Factors. Reinstatement from LWOP into previous position shall be previous rate unless a higher rate is justified with across-the-board increases or as a career progression adjustment.

B. Horizontal Transfer

Definition: Employee movement from one position to another within the same banded classification with the same competency level or movement from one position to another with a different classification with the same journey market rate.

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

C. Promotion

Definition: Employee movement from one position to another with the same banded classification with a higher competency level or employee movement from one position to another with a different banded classification with a higher journey market rate.

Salary Eligibility: Salary shall be based on application of all Pay Factors.

D. Reassignment

Definition: Employee movement from one position to another with the same banded classification with a lower competency level or employee movement from one position to another with a different banded classification with a lower journey market rate.

Salary Eligibility:

Salary shall be based on application of all Pay Factors. If employee's current salary exceeds appropriate rate based on 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 salary above appropriate rate based on Pay Factors is not applicable.

E. Reallocation

Definition: Assignment of a banded position/employee to a different banded classification documented through data collection and analysis according to customary professional procedure and approved by the State Personnel Director.

Salary Eligibility: Salary shall be based on application of all Pay Factors.

F. Demotion

Definition: Change in employee status due to disciplinary action as outlined in Section 7 of the State Personnel Manual, resulting in:

1. employee movement from one banded position to another with the same banded classification with a lower competency level, or
2. employee movement from one banded position to another with a different banded classification with a lower journey market rate, or
3. reduction in salary within same banded class.

Salary Eligibility: When demotion results in movement to another banded class, salary shall be reduced if it exceeds the maximum of the salary range. When demotion results in salary reduction in same banded class, salary may not be less than the minimum of the salary range. A salary reduced by disciplinary action may be less than appropriate rate based on Pay Factors.

G. Career Progression Adjustment

Definition: A salary adjustment within the salary range of the banded class to which an employee is assigned. A career progression adjustment may be granted in conjunction with demonstrated competencies or as justified through labor market.

Salary Eligibility: Salary shall be based on application of all Pay Factors. Employees with active warnings/disciplinary actions or with overall below good or unsatisfactory ratings are not eligible for a career progression adjustment based on competency assessment.

H. Retention Adjustment (requires state level approval)

Definition: A salary increase not covered by other pay administration policies that may be necessary to retain a key employee where there is evidence of a job offer from an employer outside the government structure and there is no current employee with substantially equal competencies to assume those duties.

Salary Eligibility: A retention adjustment may result in an employee's salary being above the appropriate rate based on Pay Factors. The salary shall not exceed the maximum of the pay range.

I. Grade Band Transfer

Definition: Employee movement between banded classes and graded classes.

Salary Eligibility:

1. Grade to Band:
Salary is established based on application of all Pay Factors for career banding. At time of implementation of a job family or branch, the salary may be maintained except it cannot exceed the maximum of the banded class salary range. Salaries that are below minimum of the banded class at implementation must be adjusted to minimum when funds become available. This adjustment may be retroactive to implementation date.
2. Band to Grade:
Salary is established by the New Appointments Policy for graded classes.

J. New Hire

Definition: Initial employment of an individual to a position in a banded class.

Salary Eligibility: Salary shall be set based on application of all Pay Factors.

VIII. Documentation and Procedures

Management must complete a **08.330 - Position Action Form** to confirm funding is available for any pay increases, and also forward a Salary Decision Worksheet to Human Resources to confirm that the pay factors were used in making a salary determination. Documents must be forwarded to the Division Vice Chancellor's office, University Budget Office and Human Resources for final review.

IX. Training, Performance Management and Employee Relations

UNCW is committed to assisting employees in participating in educational opportunities and training programs to enhance their work performance and/or career goals consistent with the unit's business needs. Training and staff development opportunities are defined in UNCW Policy **08.410 - Training and Staff Development Options**. Managers and supervisors will assist and support employees in developing plans for achieving the organizational goals and their career development. Career banding training programs will be scheduled periodically by Human Resources to ensure that all SPA and EPA supervisors receive adequate training for career development, competency and salary evaluations and performance reviews for employees assigned to career bands.

UNCW policy **08.530 - Employee Performance Management Program (EPMP)** ensures accountability and consequence of error for all SPA employees through consistent methods of setting standards and measuring performance expectations. SPA supervisors and employees will have new career banding responsibilities and will be provided clear performance expectations, their progress will be monitored and individual performance will be evaluated under the SPA policy. EPA supervisors may provide similar roles and UNCW assumes responsibility for each supervisor with career banding salary administration authority. Once initial career banding compensation training has been completed, Human Resources will continue to monitor and review all salary

decisions for consistent use of career banding policies, pay factors and procedures; provide continuing technical support and assess the effectiveness of the career banded system.

X. Dispute Resolution

Under defined circumstances, a permanent or time-limited SPA employee with career status may dispute his or her overall competency assessment and/or the associated career banding salary increase.

A. Dispute Resolution Eligibility

Disputes based on salary decisions that are eligible for consideration must be based on one of the following in conjunction with a promotion, reassignment, demotion, or career progression adjustment:

1. Amount of salary adjustment is less than appropriate amount as determined through the Pay Factors.
2. No salary adjustment has been granted when application of the Pay Factors would otherwise support an adjustment.

Note: Disputes based on salary decisions which are affected by limited funding are ineligible for consideration unless unlawful discrimination is alleged.

B. Dispute Resolution Process

Disputes with regard to either the overall competency assessment or the associated career banding increase must be submitted in writing, using a Career Banding Dispute Resolution Form, to Human Resources within 15 calendar days of the assessment or notification of the salary decision. In general, resolution must be completed within 60 days, unless the Assistant to the Chancellor for Human Resources approves a time extension due to extenuating circumstances.

All disputes shall be screened by the Career Banding Coordinator to determine eligibility for consideration and reported to the Assistant to the Chancellor for Human Resources. Eligible disputes are referred to the Career Banding Dispute Committee. The Career Banding Dispute Committee shall consist of the Career Banding Coordinator and managers at a level higher than the initial decision-maker. The committee has the authority to request related documentation and statements from the employee and the employee's chain of command in order to evaluate the facts.

The Career Banding Dispute Committee shall recommend a resolution to the Provost (as the university's chief operating officer) via the Assistant to the Chancellor for Human Resources. The decision of the Provost will be considered final.

XI. Equal Opportunity for Career Development and Compensation Level

Human Resources completes a periodic salary equity analysis by demographic group for all UNCW employees. The purpose of the study is to assure that UNCW employees' salaries are free from adverse correlation to sex, race or ethnicity; and to identify

appropriate measures to correct any adverse correlation documented. Results of such review will be presented to the chancellor.

XII. Program Evaluation and Reporting

In addition to salary equity analysis, Human Resources will prepare an annual summary of all career banding salary adjustments by category for the chancellor and vice chancellors and include analysis of trends in market rates, use of pay factors, exceptions granted and fiscal impact of administering the career band policy. Career banding program self-assessments or other requested information will be provided to the Office of State Personnel as required.

The Advisory Committee to Human Resources (ACHR) is comprised of 24 employees who represent a cross-section of faculty, EPA professionals and SPA employees. The ACHR, through the Career-Banding Advisory Subcommittee, will also receive periodic reports during the implementation of the career banding program in order to ensure that employees are being treated fairly in opportunities for career development and compensation levels. The Career-Banding Advisory Subcommittee serves as a conduit of information and concerns from University employees, and also provides feedback to Human Resources on career-banding procedures and the management of the career-banding program.