

North Carolina School of the Arts

Salary Administration Plan for Career Banding

Effective April 1, 2005

The North Carolina School of the Arts is proposing to implement the career banding program created and recommended by the Office of State Personnel. As job families are implemented, this policy will be utilized in an effort to recruit and retain qualified employees through the accepted use of labor market rates and defined competencies while protecting and promoting the goals and aspirations of the department and NCSA. This endeavor encourages successful work behaviors, career employee development, and management organization structuring with each component operating within defined parameters. The program provides a fair and equitable environment in which employees receive equal developmental and career opportunities with competitive compensation.

NCSA's career banding program will allow employees to advance in their careers while supporting NCSA's mission and goals. The career banding program is competency based with compensation being labor market driven for the occupational areas assigned to career banding. As competencies are developed through education, training, and practical experience, employees become eligible for salary adjustment consideration. NCSA will consistently apply the Career Banding Policy and Salary Administration Plan in order to compensate employees appropriately based on the development of new or higher level competencies, employees' contributions to their departments and salary levels present in the labor market for comparable work.

The Career Banding program is designed to facilitate the development of competencies that will enable employees to advance in their careers as follows:

- Facilitate increased employee satisfactions and reduce turnover;
- Define and communicate the competencies needed for career advancement, and;
- Ensure congruence between individual position expectations and the department's performance expectations.

Human Resource Responsibilities

Administrator:

The Classification and Compensation Manager 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.

Performance Management Program:

Human Resources will provide initial training to managers and supervisors in the respective job family being implemented. As changes occur with career banding and new managers and supervisors are hired HR will provide continued training to sustain the educational level provided initially. The Performance Management Program, PMP, will be utilized to ensure that managers and supervisors are accountable for providing career development advice/guidance and that they are consistently applying the Pay Factors in the making of compensation decisions. This responsibility is noted on the supervisor's work plan as a job expectation.

Decision Making:

Initially HR and managers/supervisors will jointly determine initial compensation decisions. Following implementation, requests for the granting of salary adjustments will be reviewed by to the HR Director only for final approval. If a pattern of questionable actions surfaces, the Career Banding Administrator and HR Director will counsel with the manager/supervisor involved to deter continued policy discrepancies. Following counsel, if inappropriate recommendations/requests continue, HR will facilitate the salary adjustments in the department/division until such time as the process can be reassigned. This HR Director oversight will allow for a campus-wide application of Pay Factor in determining salary adjustments.

HR will provide guidelines/parameters to the respective department(s) on what percentages of salary increases are appropriate. Salary adjustments to be recommended or awarded will not exceed the maximum of the band.

Annual Assessment:

HR will conduct annual 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 concept has been provided in writing to employees;
- Determining if pay factors have been applied consistently in compliance with the plan;
- Determining if employees have been provided opportunities for development and advancement; and,
- Ensuring that the department(s) does not engage in unlawful discrimination.

HR will report results of the program self-assessments to the Office of State Personnel (OSP) as requested.

Department Responsibilities

Employee Communication:

Management will ensure that the career banding concept is communicated to all employees.

A subcommittee composed of a broad spectrum from the respective job family will assist HR in communicating the career banding plan to other affected employees. HR will develop training material, which provides detailed information pertaining to the respective job family banding plan. This information will be provided to department(s) and supervisors prior to the scheduled training sessions.

The department will maintain copies of the material. As new employees are hired, they will be briefed and receive the written material as part of the new employee orientation.

Competencies Evaluation:

Supervisors 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 plan.

Supervisors will evaluate employee's competencies upon entrance into any career banded position to determine competency level. Thereafter competencies will be evaluated during mid-year interim reviews and during the annual performance reviews when employees will be informed of salary adjustment considerations.

Pay Factors:

The department(s) will apply pay factors as listed below. To ensure available funds are distributed fairly and equitably, salaries will be determined in compliance with the State Personnel Career Banding Salary Administration Policy. Pay factor evaluation will occur with each action as defined in policy: New Hire, Promotion, Reassignment, demotion, Grade-Band Transfer.

Pay Factors:

- Market dynamics/journey market rate guidelines/market reference rate guidelines
- Availability of funding
- Competencies
- Interim and annual reviews
- Minimum qualifications for the classification
- Related education and experience
- Duties and responsibilities
- Training, certifications and licenses

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

- Attainment and demonstrated use of competencies or skills within the same class
- Acquisition of additional or different duties within the same class
- Recognition of low employee salaries in relation to average market rate or market reference rate.

Documentation:

The department(s) will provide documentation for each salary decision (using the attached Career Banding Salary Decisions/Adjustment Documentation form), describing the relevance of pay factors to the decision. A salary adjustment decision is defined as a manager's determination of the amount of pay that an employee will be granted after applying the pay factors in any situation.

Employee Responsibilities

Employees, in conjunction with supervisors, will review work plans to ensure an understanding of their relevance of competencies and work functions to the mission and goal of the Department.

Employees may attend meetings, information sessions, etc. that will provide explanation of the career banding program.

Employees assume the responsibility for following the dispute resolution process, which begins with direct notification to the immediate supervisor and then may proceed through the chain of supervision, if needed.

Dispute Resolution Process

The dispute resolution process allows employees to have salary adjustment decisions reconsidered by a source beyond the initial decisions-maker. Any disputes resulting from career banding will be tracked and independently reviewed by a Career Banding Dispute Committee that has been established to represent all divisions. **Salary decisions based on unavailability of funding are not eligible for consideration in the dispute resolution process.**

Decisions, which are eligible for reconsideration under this plan, must be based on one of the following:

- Amount of salary adjustment is different from expected based on application of the pay factors
- No salary adjustment has been granted when application of pay factors would support an adjustment
- Assignment within the band is different than expected

Employees must submit a written explanation of their dispute within 15 calendar days of the date of the action being disputed. The Dispute Resolution Committee must respond to the employee's complaint with 30 calendar days.

Fairness in Funding Distribution

Fairness in distributing the limited funds available is of the utmost concern to the NCSA. Given the size of the campus, the Career-banding Administrator will have the opportunity closely review all funding distributions and address inequities immediately. Any inequities will be quickly addressed with the appropriate supervisors and when necessary with the Vice Chancellors in the affected areas. Additionally, the Employee Advisory Committee's input as an outside observer will be invaluable to the implementation process, as well as the continued administration. Careful attention to the concerns raised by this committee will provide an additional level of scrutiny of funding distribution.

Employee Advisory Committee

An employee advisory committee, representative of diverse population through demographics, organizational level, and occupation, will assess and evaluate the operation of the career banding program, as needed, and offer input regarding its effectiveness, efficiency, and equity to employees. Results will be shared with the departmental administrator and Career Banding Program administrator. The committee members are selected by supervisors and managers.

Implementation Guidelines

Upon implementation, an overview of the plan will be presented to all affected staff during formal group meetings. Additionally, all supervisors and managers will be required to attend training conducted by HR on how to administer the plan.

Initially, management with the job family in collaboration with HR will assign all affected employees to the appropriate band based on current classification and role. Further determinations will then be made specific to each employee based on their appropriate competency level (Contributing, Journey and Advanced) and their appropriate salary as determined by the pay factors. Following implementation, each individual employee's development of competencies, completion of training, and demonstration of applicable knowledge, skill and abilities will determine progression through the bands/levels. Information on the competency levels can be found on the HR website.

Technical support to managers will be provided in the form of training for all managers from HR. Additionally, due to the size of NCSA, the Career-banding Administrator will have the opportunity to work closely with each supervisor as they complete steps in the career-banding administration process.

HR will continue to provide consultation to managers and supervisors as needed to ensure success of the program.

Compensation

As job families are implemented, NCSA accepts the market rates for job families as established by the respective transition teams for initial slotting. The journey market rate will be the goal of compensation based on that set of competencies being the need of the department and the assessment level of the employee. Any deviation from those rates set by the transition teams would follow the process of developing a Market Reference Rate specific to NCSA for a particular classification based on recruitment and retention issues.

Current Employees:

After initial band and competency level designation, employees will be considered for future salary adjustments based on advancement/achievement. Evaluation of competencies will occur during the interim and annual appraisal periods. Supervisors may recommend adjustments of any dollar amount of the employee's current annual salary not to exceed the maximum of the pay band. Appropriate justification must accompany the request for approval. Justification should include information regarding the following: the development of higher level competencies, the attainment of additional knowledge and skills, job change, and/or internal equity concerns.

Any adjustment approved for July 1, and cost of living adjustment (COLA) will be applied before the career banding adjustment. Banded ranges may increase annually based on approved COLA and/or on market data approved by the Office of State Personnel. Should the legislature vote to allow the use of career growth adjustment (CGRA) to award salary adjustments to better align employees according to market and equity, that possibility may be considered for implementation.

New Hires:

New employees possessing the minimum qualifications and competencies at the contributing level shall normally be paid at the minimum 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.

Probationary Adjustments:

Employees may be considered for salary adjustments at the successful completion of probation based on increased competency levels. After permanent status is awarded, consideration for adjustments will follow the schedule for current employees (mid year and end of year).

Promotions:

Promotions will be awarded through a competitive process to include posting of the vacancy, interview, and formal assessment procedures.

If employees are promoted from a lower band to a higher band, they must be paid at least at the minimum of the competency pay range for their new role. 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 Down:

If an employee moves from a higher band to a lower band or from one position to another within a band, the move may be considered a reassignment or a demotion. If the move is due to poor performance, the move is considered a demotion and normal demotion salary policies apply.

The salary may be reduced to any amount within the pay range established for the lower band and level or it may remain the same except that the salary may not exceed the maximum of the lower pay range.

Career Progressions Adjustment – Advancement (within level or band salary adjustment):

Advancement through the pay band is a non-competitive process. Salary adjustments may be awarded (but are not mandatory) to recognize progression through the competency structure, the assumption of additional duties and responsibilities, and/or market factors. Career Band Salary Adjustments will be justified based on Competencies, knowledge, skills, abilities, and magnitude of job change, internal equity, market conditions, and other relevant factors.

Pay Plan Change (Transfer):

If an employee transfers from a classification with a salary grade to a banded classification, a salary adjustment may or may not be awarded. The appropriate salary level for the individual will be determined by evaluating the employee's current grade with the comparable roles and/or Competencies of the banded positions. If it is determined that the new position is a higher grade, a salary adjustment may be awarded. The amount of the increase will be determined in the same manner as a promotion. Salary adjustment is not mandatory. If it is determined that the current position and the new banded position are at comparable roles and/or Competencies levels, no increase will be awarded unless an exception is justified.

In Range Adjustments:

The Career Banding Program replaces the need for in range adjustments.

Processing Actions:

The department and HR will process salary adjustments using the system action reasons and codes designated by OSP.

Market Data:

The labor market for statewide job family bands will be established by the Office of State Personnel using data from applicable salary survey(s). Geographic specific labor market data from the applicable salary survey(s) will be used for the setting of the Contributing, Journey and Advanced rates for the university. This will include viable recruitment areas as well as areas with which we experience strong competition

Definitions

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

Contributing Competencies: The span of knowledge, skills and successful work behavior necessary to perform a job from entry up to journey competencies required for the class.

Journey Competencies: Fully applied body of knowledge, skills and successful work behavior demonstrated on the job, which are beyond the contributing competencies.

Advanced Competencies: The highest or broadest scope of knowledge, skills, and work behavior demonstrated on the job, which are beyond journey competencies.

Reassignment/Demotion: Assignment of an employee from a higher pay band to a lower pay band or from a higher level to a lower level within a banded classification.

Career Band Salary Adjustment: Salary adjustments awarded to recognize:

- an employee's progression through a pay range based on established competency structure;
- assignment of additional duties and responsibilities; or
- realignment of banded classification salary ranges approved by OSP based on market conditions.

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

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.

Pay Band: A broad pay range approved for use with the career banding program. These bands will include contributing, journey and advanced levels.

Pay Range: The actual range of pay (minimum to maximum) assigned to a band

Banded Classification Series: A group of banded classifications that represents the full range of work performed for entry level through the management level (i.e. Public Safety Officer, Public Safety Supervisor, Deputy Director, etc.)

Banded Classification: A broadly defined class concept that incorporates related groups of graded classifications resulting in vertical and/or horizontal integration of work, such as Police Officer II and Police Officer III = Public Safety Supervisor.

Career Band Level Change: A change in the level to which an employee is assigned within a banded class.

Career Progression Adjustment: A salary increase within the pay range of the banded class to which an employee is assigned.

