Career Banding Glossary of Terms:

**Accountability:** Managers are obligated to accept responsibility for making, justifying and documenting fair, consistent, non-discriminatory, and fiscally responsible recommendations and decisions with regard to compensation.

**Advisory Committee:** A committee charged with reviewing the operation of the career banding system to ensure it operates in a fair, consistent, and non-discriminatory manner.

**Allocation List:** The final list of all employees and positions to be included in the new banded roles in a job family/branch. It includes the following information: position number, employee name, current classification title and salary grade, current salary, new banded role title, proposed salary, salary change percentage, and competency level.

**Assessment:** A demographic review, conducted by OHR and/or OSP, of all allocated employees in a banded role to ensure consistency in the application of pay factors.

**Branch:** A subset of a job family containing banded classifications (or roles) with similar functions and required competencies.

**Broad Banding:** The practice of managing compensation within a few expanded pay ranges rather than a large number of narrow pay grades.

**Career Banding:** A competency-based human resources system that manages classification, compensation and career development using broad classes of jobs (roles) based on both competencies required and demonstrated to meet organizational needs.

**Career Banding Adjustment:** A salary change for an employee in a career banded position, or a change in branch, role or competency level of the career banded position. Types of potential career banding adjustments include:

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<th>Salary Actions:</th>
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<td>A. Career Banding Salary Adjustment</td>
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<td>B. Retention</td>
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<td>C. Band Minimum Adjustments</td>
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<td>Position Actions (some may result in salary actions above):</td>
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<tr>
<td><strong>D. Position Competency Change</strong> <em>(role remains the same)</em></td>
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| **E. Branch/Role Change** *(reallocation initiated by the manager)* | **Upward:** Used when a manager and OHR jointly determine and document that a position has evolved to a role that has a higher journey market rate. This can occur due to reorganization or due to departmental needs to change the position to a role with a higher journey market rate.  
**Lateral:** Used when a manager and OHR jointly determine and document that a position has evolved to a different role, but with the same journey market rate. This can occur due to reorganization or due to departmental needs to change the position to a role with the same journey market rate.  
**Downward:** Used when a manager and OHR jointly determine and document that a position has evolved to a role that has a lower journey market rate. This can occur due to reorganization or due to departmental needs to change the position to a role with a lower journey market rate. |
| **F. Disciplinary Demotion** *(May include a position action and/or salary action)* | Used when an employee is demoted, due to performance or conduct, and:  
① an employee is moved from one position to another with the same branch/role with a lower competency level, or  
② when an employee is moved from one branch/role to another with a different branch/role with a lower journey market rate, or  
③ a reduction in salary occurs within the same branch/role/competency level. |
### Hiring Actions:

| G. Voluntary Transfer (initiated by the employee) | Promotional: 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 journey market rate. Lateral: 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 journey market rate. Reassignment: 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 journey market rate. |
| H. New Hire (External Hire; Agency Transfer) | Used for initial employment or re-employment of an individual to a career banded role. |

### Competencies:
A set of knowledge, skills, and abilities required of the position and demonstrated by the employee based on business needs as determined by the manager.

### Competency Level Guidelines:
Reference points for managers to consider when making compensation recommendations, managing internal pay alignment, or addressing unique market and pay situations that may arise. The guidelines are based on the positions’ assigned competency level.

### Crosswalk:
A crosswalk is a reference tool indicating the graded classifications that are included in the new banded roles as developed by each transition team and approved by the State Personnel Commission. A crosswalk is essentially a map of where positions were classified in the traditional compensation system and where they are assigned in the career banding system.
**Dispute Resolution Process**: A course of action available to employees to appeal salary decisions made by their immediate supervisor/manager.

**Effective Date**: An effective date provision explains that all actions shall be on a current basis except for actions to adjust salaries to minimum upon implementation. The effective date of any career banding salary adjustment is 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.

**Competency Assessment**: The means used by a manager to evaluate the demonstrated competencies of the employee against the required competencies of the position. A sound competency assessment process ensures that employees have and demonstrate the knowledge, skills and abilities to meet stated business needs and contribute to the success of the organization. Managers are responsible for determining the employee’s demonstrated competency level for each of the competencies required in the position. Managers make this determination using a 1-3 rating scale:

1. **Developing**: Required position competency is not yet fully applied by the employee at the level defined by the manager as necessary to meet stated business needs. The employee may be lacking in some elements of the required position competency.

2. **Applied**: Required position competency is often demonstrated by the employee at the level defined by the manager as necessary to meet stated business needs.

3. **Broadly Demonstrated**: Required position competency is consistently demonstrated by the employee at, and occasionally above, the level defined by the manager as necessary to meet or exceed stated business needs.

**Equity**: See Internal Pay Alignment within the definition of “Pay Factors.”

**Family**: See “Job Family.”

**Focus Group**: A career banding focus group is a diverse group of experienced managers and employees from the occupational group or work unit, from both UNC-Chapel Hill and other State agencies/ universities, which are being banded. The focus groups assist in identifying competencies required of the position at the contributing, journey, and advanced levels.

**Hiring Range**: A range of pay determined, advertised, and used by a hiring manager to recruit for a specific position within a defined banded role.

**Internal Pay Alignment (IPA)**: See “Pay Factors.”

**Job Family**: Major groupings of jobs that represent general fields of work.

**Labor Market Rate (LMR)**: See “Market Rate.”
**Market Index (MI):** A measure of internal salary to the market rate. It is a ratio calculated by dividing the employee salary by the market rate. The index is expressed as 100 being at market, with 95 indicating 5% below market, with 105 indicating 5% above market, etc.

**Market Rate:** An average of salaries in the labor market used when comparing benchmark jobs to relevant local, state or national market data that allows market and geographical flexibility in establishing appropriate labor market relationships. These rates are determined by OSP in conducting and analyzing market data gathered through in-house salary surveys or published compensation survey reports.

**Pay Factors:** 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 functional competencies required in the position and demonstrated by the employee as determined by the manager. 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: internal pay alignment (equity) and to current salary, market index and total compensation.
- **Required Competencies** - The functional 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.

**Peer Group:** Established for purposes of internal pay alignment analysis performed by managers, a peer group generally consists of employees in the same department, branch and role. Peer group analysis is required to be completed by managers for all salary recommendations in order to ensure:

- fair and consistent application of pay factors
- salary decision-making in accordance with Federal EEO laws and regulations.

**Performance Review:** A management tool for evaluating and communicating an employee’s performance with regard to the position’s duties/responsibilities and expected outcomes that support the continued success of the unit. The career banding system has three position competency levels:

- ** Contributing competencies** required in a position include knowledge, skills and abilities minimally necessary to perform a job from entry to journey.
- ** Journey competencies** required in a position represent a fully-applied body of knowledge, skills and abilities to perform a job from journey to advanced.
- **Advanced Competencies** required in a position represent the most complex set of knowledges, skills and abilities to perform a job.

**Promotion**: Employee movement from one position to another with the same branch/role with a higher competency level or employee movement from one position to another with a different branch/role with a higher journey market rate.

**Reallocation**: Assignment of an employee in a banded role to a different banded role, documented through data collection and analysis according to customary professional ‘classification’ procedures and approved by OHR. A manager and OHR may jointly determine and document that a position has evolved to a role that has a higher journey market rate, to a different role but with the same journey market rate, or to a role that has a lower journey market rate. This can occur due to reorganization or due to departmental needs to change the position.

**Reassignment**: Employee movement from one position to another with the same branch/role with a lower competency level or employee movement from one position to another with a different branch/role with a lower journey market rate.

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

**Roles**: The various classifications that have been banded together due to similarities in position attributes, nature, and scope of the work required to meet business needs.

**Salary Administration Worksheet**: The standard form used by a manager to justify and document a salary recommendation based on appropriate application of the pay factors.

**Salary Band (Pay Band)**: The range of pay for a role determined through market surveys that defines the minimum and maximum pay spread.

**Salary Grade Equivalent**: Until career banding is implemented for all job families in all State agencies and Universities, employees in career banded roles will be assigned a salary grade equivalency only for promotional and RIF reemployment priority purposes as stated in the State Personnel Manual.

**Salary Recommendation**: An official request by a department manager to pay an employee an established rate, including a recommendation not to grant a salary adjustment.

**Steering Committee**: A committee that oversees the design and implementation of the career-banding system at the University.

**Transfer**: Employee movement from one position to another with the same branch/role with the same competency level or employee movement from one position to another with a different branch/role with the same journey market rate.

**Transition Team**: A team that is overseen by OSP to develop the branch crosswalk, band specifications, competency profiles, pay range, and market rates for a particular branch and role. A transition team is typically composed of Human Resources and occupational area representatives from agencies/universities and representatives from OSP. The competency profiles created by the transition team are validated through focus groups.

**Walkover**: The process of transferring positions from their old classification title to their new career banded branch and role.