Career-Banding
A Competency Based Human Resources Classification and Compensation System

Overview for North Carolina State Government
What is Career-Banding?

- Simpler Classification and Compensation System
- Collapsing of classes into more generic titles
- Wider pay ranges
- Pay movement based on the development and demonstration of competencies (key work functions and applicable knowledges, skills and abilities)
- Emphasis on career development
Career-Banding Philosophy

To positively impact the state’s ability to:

• Recruit, retain, and develop a qualified, motivated, and diverse workforce

• Emphasize competencies and demonstrated proficiency on the job

• Promote career development
Why Change From Old Classification System?

- Current Classification System developed in 1949 has not kept current with changes in technology or how we do business.
- Current system has over 4,000 classes.
- Managers feel that they have little involvement in classification.
Why Change From Old Classification System?

• Employees believe that work competencies are not rewarded.
• Current budgets do not support the pay policies and rules of the graded system.
• Too much time is spent on classifying jobs with too much emphasis on pay grades.
• Current graded system is not focused on paying employees based on market information and their job contribution.
• Current graded system does not encourage employees to develop those skills necessary for the organization to succeed.
As a Classification and Compensation System, Career-Banding:

- Significantly reduces the number of classification titles.
- Simpler policies and rules
- Employee pay is based on labor market information and competency/skill level
- Better able to compete with labor market for critical classes
As a Classification and Compensation System, Career-Banding:

- Encourages employees to improve their skills and plan their careers.
- Encourages managers to be involved in the classification and compensation process.
- Facilitates the hiring of new employees who have the necessary competencies/skills needed to do the work.
- Training and development activities are more focused.
Ten Job Families

1. Administrative and Managerial
2. Information Technology
3. Law Enforcement and Public Safety
4. Information and Education
5. Human Services
6. Medical and Health
7. Institutional Services
8. Operations and Skilled Trades
9. Engineering and Architecture
10. Natural Resources and Scientific
Job Family Structure

Job Family
Administrative and Managerial

Branch
Accounting

Banded Class
Accounting Technician

Banded Class
Accountant

Banded Class
Accounting Manager
### Examples: Graded to Banded System

<table>
<thead>
<tr>
<th>Current Class Title</th>
<th>Banded Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant I</td>
<td></td>
</tr>
<tr>
<td>Accountant II</td>
<td></td>
</tr>
<tr>
<td>Accountant III</td>
<td><strong>Accountant</strong></td>
</tr>
<tr>
<td>Accountant IV</td>
<td></td>
</tr>
<tr>
<td>Accounting Technician I</td>
<td></td>
</tr>
<tr>
<td>Accounting Technician II</td>
<td></td>
</tr>
<tr>
<td>Accounting Technician III</td>
<td><strong>Accounting Technician</strong></td>
</tr>
<tr>
<td>Accounting Technician IV</td>
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<tr>
<td>Accounting Technician V</td>
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</tbody>
</table>
### Broad Salary Ranges

<table>
<thead>
<tr>
<th>Current Class Title</th>
<th>Banded Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 59 $24,605 - $37,659</td>
<td>Accounting Technician</td>
</tr>
<tr>
<td>Accounting Technician I</td>
<td>$24,604- $52,400</td>
</tr>
<tr>
<td>Grade 63 $28,402- $44,121</td>
<td></td>
</tr>
<tr>
<td>Accounting Technician III</td>
<td>(Example)</td>
</tr>
<tr>
<td>Grade 67 $32,965 - $52,374</td>
<td></td>
</tr>
<tr>
<td>Accounting Technician V</td>
<td></td>
</tr>
</tbody>
</table>
Competencies – What are they?

- Sets of work functions/knowledge, skills, abilities Demonstrated On The Job
- The attainment of competencies increases the potential level of work for an employee
- An increase in competencies which are needed by the organization, applied on the job, and necessitated by job change can be used as a basis for an increase in pay
- Pay based on competencies rather than years of service
Competency Levels

- **Contributing:** knowledge, skills, and abilities *minimally* necessary to perform work in a banded class from entry up to journey

- **Journey:** *fully applied* body of knowledge, skills, and abilities required for a banded class

- **Advanced:** the *highest or broadest* scope of knowledge, skills, and abilities required in the banded class
Competencies

- Used to determine pay
- Tied to demonstrated knowledge, skills, abilities
- Can be observed and measured
- Developed by Transition Teams and validated within A/U, both using focus groups
- Have distinct Contributing, Journey, and Advanced levels established for roles within a banded classification
- Market related
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 competencies demonstrated by the employee.

- **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 competencies and associated levels that are required based on organizational business need and demonstrated on the job.
Career Development

- What is the organizational need?
- What employee attributes could be developed to accomplish the above?
- What area(s) does employee wish to improve?
- Are these required of current position/work unit?
- Are training resources available within a reasonable time frame?
Good for the Employee…

- Rewards for competencies developed and demonstrated on the job
- Develop competencies and skills that are valued
- Take a greater responsibility for career management
- Focus on achieving personal growth in competency rather than moving to higher grade
- More opportunity for salary increases as needed competencies are demonstrated
- Better opportunity to develop a career path within state government
Good for the Manager….

- Workforce planning to suit business needs
- Targeted competencies when recruiting and staffing
- Ability to better plan for training needs
- Budget planning is based on real market data
- Employees paid above/below market are obvious
- Compensation decisions are based on employees’ relative market value
- With oversight from Human Resources, involved in career development of employees and pay decisions
- Focus on appropriate pay versus justifying a classification level
Human Resources Role

- Orient management and employees
- Train and consult with managers on competency and compensation issues
- Guide management in implementing Career-Banding; final approval authority
- Evaluate changes in labor market
- Monitor the management of pay
- Establish and communicate a dispute resolution process
- Monitor for fairness and consistency
OSP’s Role

(In conjunction with Agencies and Universities)

- Lead and manage the Career-Banding process
- Lead and manage the Career-Banding implementation
- Establish job family structure and banded pay classes
- Establish market rates and salary guidelines
- Provide labor market information to A/ U’s
- Monitor for fairness and consistency in Career Banding implementation
- Provide training and consultation
What has been banded? What’s next?

- Information Technology and Public Safety classes were banded first statewide.

- Several other banded classes have been implemented in various agencies/universities: Research, Administrative Support, Facility Maintenance, Vehicle/Equipment Operation, Institutional Services, Legal, and Public Safety/Law Enforcement.

- Between now and 6/2008, banded classifications are being developed for all University SPA positions.

- Between now and 6/2008, banded classifications are being developed for all agency and university positions in Engineering, Fiscal, Library, Nursing, and Pharmacy.