

Career ladders create common language for defining jobs

BY CLAUDINE KAPEL AND
CATHERINE SHEPHERD

It is easier to undertake a major journey when one has a map of the potential stops along the way. The sign posts make for a smoother, more productive passage. The same can be said of career management.

Organizations that understand this principle recognize that helping employees to navigate their careers yields many benefits. Clear career paths help organizations to attract and retain talent. More importantly, they help leaders make informed decisions around compensation, staffing, promotion and succession planning, while creating a more engaged and productive workforce.

As a result, organizations are developing career ladders that integrate with — and improve — base pay and job evaluation systems.

Career ladders create a common language for defining accountabilities and role expectations associated with jobs at different organizational levels. This clarity makes it easier to illustrate how expectations evolve as one moves into progressively more senior roles, and how compensation changes with each step of the career ladder.

Career ladders can be defined in general terms to cover a wide array of jobs. Or, they can be tailored to reflect the specific jobs and terminology of individual functional areas. They can show jobs evolving across a dual career path, or indicate cumulative responsibilities along a single management or non-management (technical or professional) path.

Job classification at Best Buy

Best Buy Canada Ltd., a national retailer of consumer electronic products based in Burnaby, B.C., (which also operates Future Shop), has embarked on a process to develop career ladders as a means of establishing greater consistency in how jobs are defined, staffed and titled, and how employees are compensated. Best Buy Canada has about 12,000 employees across Canada, and operates 128 stores.

Glenn Quarrington, senior vice-president of human resources and corporate services, says that one of the consequences of the company's rapid growth has been the need for a more structured job classification process. When considering the approach that would best meet Best Buy Canada's business needs, the priorities included flexibility and ease of administration.

"Consistency in how you define and title jobs is critical if you want to have meaningful information about your workforce to support decision-making around pay, perquisites, career progression and succession planning," Quarrington notes.

As part of its initiative, Best Buy is looking to introduce more consistent titling conventions — including the use of different types of titles to distinguish jobs on the management track from those on the subject matter expert track.

Achieving such consistency is a challenge for many organizations, especially those that have grown through acquisition. In response, Best Buy Canada is looking to establish new and more consistent job classification and titling conventions as one of the outcomes of its career ladders initiative. Its new career ladders will also help to distinguish career paths for individuals who serve as subject matter experts versus those on a more traditional management track, and to help highlight the different ways that careers can unfold in the organization.

Career ladders can enrich the dialogue between managers and employees. They establish a common language for discussing career aspirations

and development needs. They also help position an organization as an employer for the long term.

Career ladders at Sobeys

Sobeys Inc., a national grocery retailer based in St. John's, N.S., is in the process of developing career ladders to support its people, performance and development strategy. Sobeys has about 35,000 employees in more than 1,300 company stores and franchises across the country under the banners Sobeys, IGA, Garden Market IGA, Price Chopper, Bonichoux, Foodland and Needs.

"One of our objectives is to better define career paths for both store and office employees," says Stephanie Curtis Sood, HR advisor, compensation. "We want to better position Sobeys as an organization where you can build a rewarding career."

The retail sector generally grapples with higher than average levels of employee turnover, particularly at the store level. According to a recent study on the Canadian retail sector published by the federal government, one of the major issues for the retail sector is "the relatively low esteem that jobs in retail sales are usually accorded."

See Next Page

■ COMPENSATION/EMPLOYEE CAREER DEVELOPMENT

Define roles, link pay

Continued Previous Page

Sood says the Sobeys career ladders initiative is part of a broader undertaking that is also exploring how jobs in the organization are classified and compensated. "We want to ensure we have the right kinds of programs and practices so we can attract and keep the talent we need to achieve our business goals. Part of that means ensuring people understand the types of opportunities they can progress to over the course of their careers."

Career ladders can add an important new dimension to an overall employment proposition, enabling employees to see their organization — and the opportunities for growth being offered — in a whole new light. And yet career ladders need not be difficult to implement. In fact, one of the benefits of career ladders is that they can be used to take job classification systems to new, more practical levels.

Where compliance with pay equity legislation is not a consideration, a career ladder construct can be used as a relatively simple job classification system. Organizations that use a point-factor job evaluation system, however, can also derive significant value from defining career ladders. Career ladders can be integrated with the internal hierarchies that emerge from a job evaluation process to create a system that delivers more HR horsepower.

The underlying job evaluation system ensures that compliance issues are addressed, while also identifying which jobs in the organization are deemed to be "peers." But ca-

reer ladders go beyond the classification of jobs and start to paint a picture of the organization — and how jobs evolve in terms of performance expectations and complexity — that can form the basis of more useful career development and staff deployment tools.

They can also be aligned with a base pay structure to support integrated communication around pay, performance and progression.

The integration of career ladders with other HR programs is considered a long overdue solution for deriving greater strategic value from job evaluation systems, which have historically

been seen as either compliance driven, or as aligned with base pay design alone. The addition of a career ladders component magnifies the value, creating a powerful tool that serves as a platform for a variety of HR programs and practices, including:

- pay;
- titling conventions;
- benefits and perquisites eligibility;
- career planning;
- workforce analysis,
- professional development;
- staffing and succession planning;
- learning and development; and
- performance management.

■ STEP BY STEP

Building career ladders

Career ladders are designed by identifying the key job elements to be used to define the accountabilities and role expectations at each organizational level and for both the management and subject matter expert career paths.

Examples of such elements include the business or technical knowledge requirements, as well as the nature of relationship management accountabilities. These job elements are then described for each level in the career path, illustrating how the expectations become more complex as one progresses into more senior level jobs.

Once the ladders are defined, the existing jobs are mapped to the various levels in the career paths using the accountability descriptions to guide the

process. To ensure the career ladders deliver optimal value, it is critical to ensure that employees are mapped into the correct jobs. It is typically a good idea to begin the design process with a review of how employees themselves are mapped to different jobs to ensure that individual employees are ultimately assigned an appropriate post on the career ladders.

Career ladders can also be aligned with a base pay structure to establish a connection between roles, career levels and pay. Typically, jobs in an organizational hierarchy are assigned a band or grade level in a base pay structure. These jobs are also assigned a level and track (such as a management track or subject matter expert track) on a career ladder. As a result, ca-

reer ladders do not have to match a base pay structure level by level. Depending on the type of base pay design, and the width and number of pay bands in place, a career ladder level may encompass one or more salary grades.

Because career ladders help frame expectations associated with both current and potential future roles, they help employees to determine what type of development is required to achieve desired career goals.

When broadly designed to cover multiple functional areas, career ladders help encourage both lateral and cross-functional moves as part of potential career paths, in addition to more traditional paths that focus on upward progression in a specific department.

Ultimately, career ladders are as much a communication vehicle as they are a job classification tool. They create a common — and robust — language to help leaders and employees within and across functional areas understand how jobs come together and inter-relate to facilitate the achievement of business results.

Claudine Kapel is a principal of Kapel and Associates Inc., an HR and communication consulting firm based in Toronto. She can be reached at (416) 422-1636 or ckapel@rogers.com. Catherine Shepherd is a principal of Shepherd Widdoes & Associates Ltd., an HR and labour relations consulting firm based in Calgary. She can be reached at (403) 238-8840 or cmshepherd@shaw.ca.