

Career Progression Models

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Overview

As organizations mature and the nature of the jobs performed becomes more distinct and varied, compensation administration becomes increasingly complex as well. The process of analysis, documentation and pricing jobs in an organization can become unwieldy. One method of streamlining the compensation administration is to establish career progression models and align your job catalog to them. Using career progression models standardizes the progression of jobs within a job family, while job levels share several common attributes laterally across families.

Once completed, a career progression model establishes standardized job levels within job families, particularly those job families in related functions. Examples of such job levels might be: graduate, staff, supervisor and manager. The same job level between different job families usually requires similar skill, effort and ability, but varies in duties and responsibilities.

Standardized career progression models, if implemented properly, can:

- Ease job pricing and survey matching.
- Enhance slotting of new employees.
- Provide transparent development paths for new and current employees.
- Form a solid basis for competency-based evaluation systems.

This article will discuss the various considerations that go into developing career progression models and strategies for implementing them in an established organization as well as provide a few high-level examples.

Considerations

Career progression models are not appropriate for every organization. The effort required to implement and maintain them means that they are most useful for larger employee populations that have clearly defined roles. Small organizations and those with extensive job sharing or single incumbent positions will find that their jobs do not neatly fit into a career progression model. Likewise, no organization is likely to have all necessary and valid jobs fit within the career progression model.

Organization Size

Organization size has a significant impact on the design of a career progression model. All other factors being equal, an organization of greater size will require a more vertical model, meaning that more jobs will likely exist within each job family.

Reporting Structure

The number of jobs represented in each job family should be aligned with the reporting structure of the organization. A highly structured and vertical organization may need more job levels represented within its career progression model, while a decentralized or horizontal organization may want fewer levels.

Job Functions

Different job functions, even within the same organization, may require different career progression models, although similar job functions will often share a model. Consideration should be given to the development path of employees within each function, so that the career progression model of the job families accurately serves the needs of the business.

Administrative functions may need an abbreviated

career progression model because advancement is typically limited past a certain level.

Sales functions may have limited career levels at the individual contributor stage, depending on the nature of the sales cycle and composition of the salesforce.

Dual Career Paths

Job functions with highly technical career paths may need dual or branching career paths. Employees in these fields are often subdivided into a management track or a technical expert track. These are common in industries and functions with highly specialized individual contributors who operate with broad autonomy as recognized experts in a particular field. Common functions in which these can be found include scientists, engineers and information technology.

Articulating dual career paths in the company's job structure can aid in retention of highly skilled individual contributors by illustrating future career potential and a development path. It can also limit undesirable practices such as overclassification and manager-in-name-only appointments. (See [Example 2 on page 6](#).)

Job Pricing Practice

Career progression models will work in organizations with formal grade structures, broadbands or market pay structures. Care should be taken to ensure that the job levels are aligned with such structures and do not contradict them.

Examples

Example 1. A large organization with many thousands of global employees develops a career progression ladder for its highly stratified accounting function. Job levels

Considerations (continued)

within this function are defined and applied across the function.

Notice that not every job family has jobs at every level within the career ladder. In this example, finance and tax are smaller functions with different recruiting and progression needs. While the naming of the job level is consistent, the names of the jobs themselves are aligned with organization practice and recruiting requirements.

Example 2. A midsized engineering firm develops a career progression ladder for its professional engineering staff.

This organization has the need to develop and reward high-level individual contributors in its engineering function, but below the supervisor level, all employees follow

the same career progression.

Employees in organizations structured with dual career paths eventually make a career path decision as they progress, articulating their desire to move into either a management or technical career track.

EXAMPLE 1: Large Organization

Job Level	Job Family		
	Accounting	Finance	Tax
Global Director	Global Accounting Director		Global Tax Director
Director	Accounting Director	Director, Finance	Director, Tax
Senior Manager	Senior Accounting Manager	Senior Manager, Finance	Senior Manager, Tax
Manager	Accounting Manager	Manager, Finance	Manager, Tax
Supervisor	Accounting Supervisor		
Senior Staff	Senior Accountant	Senior Financial Analyst	Tax Specialist
Staff II	Accountant II	Financial Analyst II	Tax Accountant II
Staff I	Accountant I	Financial Analyst I	Tax Accountant I
Graduate	Graduate Accountant	Finance Associate	

EXAMPLE 2: Midsized Engineering Firm

Job Level	Job Family		
	Management	Shared Track	Technical
Director	Engineering Director		Chief Engineer
Manager	Engineering Manager		Senior Engineering Fellow
Supervisor	Engineering Supervisor		Engineering Fellow
Senior Staff		Senior Engineer	
Staff		Engineer	
Graduate		Graduate Engineer	

Implementation

Because an organization's job structure touches every employee, the decision to create career progression models requires substantial will to implement. Assuming you have the necessary executive buy-in to begin, you can approach the development methodically:

1. Identify the relevant functions within your organization and develop career progression models by functions. (Example: accounting, information technology.)
2. Once you have identified the function, work with the leadership in that function to identify all necessary job families within that function. For the accounting function, examples might be: accountants, financial analysts, accounts payable, payroll and tax accountants.
3. After the families within a function have been identified, develop a broad career progression model in consultation with the function's leadership, balancing all the considerations and ensuring that the job levels are consistent.
4. Align the job-worth hierarchy with the development of the job levels.
5. Slot employees into the final structure in consultation with management, based upon the job duties of the individual employees.

Ties to Other HR Processes

Incentive compensation: Career progression models can aid in establishing incentive compensation targets by ensuring that jobs across a function have similar levels of responsibility.

Performance management: Career progression models work well with competency-based evaluation systems. Consistent levels across an organization allow broad statements to be accurately applied to many different-jobs. For example, “All senior staff-level employees must display a minimum proficiency in coaching. Senior staff-level employees are expected to mentor and guide less experienced staff in their function and provide them with the benefit of their experience.”

Benefits: Career progression models provide a suitable basis for the determination and distribution of

entitlements in companies or countries where they are used. This depends greatly on the benefits strategy of the organization. For example, director-level employees in the United Kingdom receive a 200-pound per month car allowance, while managers receive 125 pounds.

Workforce planning: Career progression models can aid in short- and long-term workforce planning by segmenting the employee population into defined categories for analysis. Raw bench strength can be assessed in each function by the number of employees at each level. More sophisticated analysis can be done by pairing career levels with other data such as high-potential rating, risk of loss and so on, to identify areas of strength and weakness in an organization’s workforce.

Conclusion

Compensation professionals face the challenge of developing and implementing job structures that support their total rewards programs given the increasingly complex nature of those jobs. Career progression models have the potential to provide a solid and transparent foundation for competency-based evaluation and compensation systems.

About the Author

Frank Alexander is a senior adviser, executive compensation and benefits, with ConocoPhillips where he holds primary responsibility for the company's executive compensation and nonqualified benefits plans. He has more than eight years of experience in base pay, incentive compensation and HR systems management.

Previously, Alexander was a manager of compensation and HR systems for KBR Inc. Prior to this he held a number of compensation and HR system roles at KBR.

Frank received a Bachelor of Science in psychology from Texas A&M University and is an MBA candidate for the McCombs School of Business at the University of Texas. He holds the Certified Compensation Professional (CCP) designation from WorldatWork and the Professional in Human Resources (PHR) certification from HR Certification Institute.



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