

HaRe Group newsletter: 19 August 2013

Subject: Career levels for a better business

There are many situations that demand changes to the way an organisation does its business – eg:

- an acquisition that opens up new markets, or
- a government initiated regulation (eg. FBT), or
- a voluntary change of strategy that requires new methods of work.

Whatever the transformation, the organisation will often face a workforce change, large or small – this change should include the refinement of career levels.

Any business reorganisation should be driven by **strategic goals**. The transformation process should be based on robust principles, like business process reengineering. Company-wide education on the reorganisation is an essential part of transformation – all employees should become familiar with the new business environment and understand the need for change.

When the strategic goals and the transformation process are clear, the next critical step is to determine if the business has the capabilities – in particular, **the right people** – to make the change successful. Regardless of the change principles or methods used, employers need to review organisational capability and individual job design. However, in many cases, too little consideration is given to career structures, employee selection, performance management, employee development and rewards. The frequent consequence of this negligence is (surprise, surprise) the loss of employee engagement – while business leaders are usually in step with the transformation, employees in the “engine room” are often left in the dark for too long.

A transforming organisation will often need different skills (**new HR capabilities**), new jobs and the appointment of people to these jobs who will be capable of doing different work. Frequently, the organisation structure needs revision as new jobs will change the shape of work teams and management responsibilities. All jobs in the revised structure should be populated by the right people who all have a clear understanding of their roles and also a clear view of their future opportunities within the business.

Career planning and employee development programs are essential to employee engagement and competitive advantage. **Good organisation design** is an important foundation of these programs and a robust job evaluation process is often helpful in establishing career levels for every job family in the organisation.

In many different circumstances, I have used **job evaluation** to refine organisation structures and establish career paths for employees. For example, an Accountant who is appointed as a graduate at “Level 1” should have a logical career path ahead through a series of defined promotable steps up through the Finance job family – for example:

- Level 1 = Graduate (Assistant) Accountant
- Level 2 = Accountant
- Level 3 = Senior Accountant
- Level 4 = Accounting Manager
- Level 5 = Financial Controller

Of course, the number of **career levels in each job family** depends on the industry, organisation size and the complexity of responsibilities. Each career level should be defined with: core skills & competencies; common responsibilities and organisational relationships; as well as a corresponding remuneration range. In my experience, this approach should give more clarity and certainty to employees and help improve their motivation to perform well.

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