

# Broadbanding & Job Families

## Key Facts



## Background

In recent years there has been a great deal of interest in moving away from traditional job grading systems. Organisations have taken cost and complexity out of their structures by reducing the number of levels from top to bottom. The resultant flatter structures do not sit well with a large number of grades with small steps in between them.

It is inevitable that pay structures with a large number of levels lead to 'grade hunting' as people search for small changes in their responsibilities to justify a re-grading. Additionally such complex grading arrangements have traditionally consumed a great deal of management time simply to administer and maintain.

Against this familiar background the appeal of broad banding is clear. Rather than have multiple grades, work within a dramatically simplified pay structure with pay ranges more closely matching the reduced organisational levels.

Typically a structure which might previously have included 20 or more grades can be described in, say, 6-8 broadband levels. Maintenance becomes significantly less arduous. Employees are less inclined to grow empires in preference to acquiring competencies or driving performance. Pay management is radically simplified.

## Broadbands raise new challenges

Broadbands have limitations. If an organisation classifies its employees pay in a small number of pay bands it is inevitable that the bands will be wide – that's why they are called 'broadbands' after all. Consequently they lack the granularity to reflect the market differences between occupational groups. Benchmarking internally and externally is difficult.

Furthermore employees struggle to identify how they can progress in terms of both their development and their pay – the steps between broadbands are big and progression within broadbands is often unclear.

What employers have looked for is to combine the benefits of a simplified banding structure with something that facilitates robust pay management and pay progression. They need to give employees a clear view of their career paths and a true sense of their value to the organisation.

## Job families

Organisations are increasingly turning to Job Families and Career Families to square this particular circle.

The notion of looking at similar types of role as an entity is not new. Occupational classifications have existed for as long as job evaluation. The twist that interests companies now is to describe such groupings so that they work in tandem with simplified broadband structures.

## The characteristics of job families

Job families are groupings of jobs related by common vocations/professions. Accordingly, they have many similarities, most of which directly relate to competencies. Jobs in a job family are similar in that they:

- ◆ Require similar knowledge, skills and abilities - competencies
- ◆ Have a continuum of knowledge, skills and abilities that represent a career path from the lowest to the highest level job
- ◆ Possess associated and related key behaviours
- ◆ Have similar market competitive pay characteristics

## Advantages of using job families

**Job families offer some attractive benefits:**

- ◆ A job family structure can recognise that career progression patterns may vary between different occupational groups
- ◆ They can be used to map out career paths by defining the competencies required at different levels and showing clearly how progression can take place within families
- ◆ They enable the size and speed of reward progression to be varied
- ◆ They can reflect the market rates of pay for different groups

## Disadvantages of using job families

**They can also create some new challenges that can and must be addressed:**

- ◆ Although some occupations are best treated separately because they are different, job family structures can be divisive by creating occupational 'chimneys' and by apparently favouring some roles and occupations. This can be overcome by careful positioning - not ascribing job families organisational significance.

- ◆ Job families may further career development within a family but they could inhibit career flexibility between families. However, most people tend to spend most of their careers in one job family.
- ◆ In the absence of a common grade structure with each grade having the same range of job evaluation scores it is hard to ensure that equal pay for work of equal value is achieved across job families. This can be overcome by underpinning the job families with job evaluation and market benchmarking.

## Career families

Career families are an increasingly popular way of gaining the benefits of Job Families whilst addressing the lack of read across between Families. By assessing levels in Job Families against a common evaluation framework it is possible to see how Job Families relate to one another without the need to evaluate every role.

A Career families approach aids overall pay management, ensures greater consistency and significantly helps ensure compliance with Equal Pay requirements.

## Further information

To learn more about this topic or PAYdata's services please contact us on 01733 364070, or email us at [info@paydata.co.uk](mailto:info@paydata.co.uk).

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