

# Job Families and Other Taxonomies

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This paper has been written following discussions with IES colleagues, and informed further by a literature search on the subject of job families. Our original intention was to involve IES member companies, via a workshop and case study visits. However, member interest in the subject proved lukewarm, and we cancelled the planned workshop due to lack of interest. Nevertheless, the fact remains that all our member organisations use a variety of employee taxonomies, for different purposes and with varying degrees of success, and several have experimented with the job family approach. We are interested in what works, and what does not, and in the organisational factors that need to be in place for an employee taxonomy to be usable and useful.

## 1. Why classify?

Classifying employees is the first step in doing many HR-led activities in organisations, such as:

- producing management information
- workforce/skills/succession planning
- targeting relevant populations, *eg* for development programmes, identifying training needs, *etc.*
- introducing new pay systems
- 'what if' modelling
- relocation planning
- identifying career paths.

Our experience at IES suggests that many organisations in the early stages of these activities struggle with the basics: understanding the size of the task, identifying everyone who should be involved, and getting hold of the information they need. Computerised HR systems sometimes get a bad name as they do not always help as expected – yet they are often hampered because organisations have not set them up with relevant coding structures, so they are unable to produce reports classifying employees in different ways for different circumstances. Employee classifications such as job families could

be a unifying theme, to underpin many HRM activities and enhance HR's reputation as a function that understands its workforce and provides quality information.

## **2. Ways of classifying**

Any organisation that grows beyond a handful of employees seems to find it impossible to function without applying various classifications and labels to its workforce. The bureaucratic organisational form, with its emphasis on hierarchy and impersonal formality, is particularly likely to embrace classification. However, even those with flat, organic structures will find it difficult to cope without some sort of employee taxonomy.

### **Occupation**

Most organisations employ people from different occupational backgrounds, with particular qualifications or experience, to work in specific areas. In healthcare, for example, there will be doctors, nurses, therapists, technicians, scientists, ambulance paramedics, support staff (administrators, secretaries, clerks, cooks, cleaners, porters *etc.*), central functions (finance, HR, information, supplies and so on) and management. In a manufacturing company there will be designers, operatives (a variety of people who transform the raw materials or parts into the finished product), distributors (those who get the finished product to the market), support staff (secretaries, stores people, porters), central functions (marketing, finance, HR) and management. In a management consultancy company there will be consultants, support staff (secretaries, researchers), central functions (marketing, publications, HR, finance) and management.

Although most organisations will find it relatively straightforward to identify their main occupational groups, the apparent simplicity of such groupings hides a variety of issues that also need to be considered when devising a taxonomy for employees.

### **Groups and sub-groups**

Broad occupational employee groups often hide a multitude of sub-groups and sub-sub-groups, each with its own way of working, career path, training needs *etc.* In education, for example, school teachers can be seen as one main occupational group. However, primary school teachers require a different skill set from those in senior schools, while the latter have specialist subject knowledge which means that, for example, an English teacher and a Biology teacher are not interchangeable.

## **Professions**

Some occupations have professional bodies, often with entry requirements (such as examinations), codes of conduct and registration requirements. A broad occupational group is likely to contain people who are professionally qualified, together with those who are working towards their qualification, and those who, though 'unqualified', have relevant experience, training and/or knowledge. The finance department, for example, probably contains accountants, trainee accountants and finance support staff. In some organisations and professions, there are rules about who is permitted to carry out certain duties; in healthcare, for example, there are boundaries between a doctor's work and that of a nurse, although both are professionally qualified. The growth of 'professionalisation' means that more and more occupations are setting entry and training requirements, so that there may be occupational groups with a main recognised profession, together with other, subsidiary qualifications. A case in point is dentistry, where qualified dental practitioners are often supported by hygienists and dental technicians, who have their own qualifications.

Professions are, to a greater or lesser extent, independent of organisations – so ownership of a professional qualification implies possession of a set of skills that is easily transferable from one organisation to another.

### **'Direct' and 'indirect'**

Occupations, and the employees in them, are often classified with reference to their interface with customers (or clients, or service users *etc.*). In an insurance company, for example, the sales team will be considered 'direct' or 'front line' because team members will deal face to face (or by telephone, or via the Internet) with customers. HR practitioners in the company, however, do not advise or sell to customers, so are counted as 'indirect' or 'support'.

The direct/indirect split is usually applied in a different way in organisations with little direct contact with customers. In a manufacturing company, for example, anyone working 'hands on' to produce outputs is considered 'direct', while those in a supporting or managerial role will be 'indirect'.

## **Location**

Some kind of classification relating to location is usually necessary for planning and resourcing purposes, and is essential in larger organisations. 'Location' is another concept that operates at different levels, so that a single employee often ends up with several location descriptors.

- **Geographical location** embraces a wide range of possibilities, from continent (America, Europe, Africa *etc.*) through country (UK, France, Spain *etc.*) to site (Eastbourne General Hospital, Brighton Sainsbury's).
- **Functional location** relates to the individuals' department and/or team – *eg* HR function, management development; finance function, payroll; radiology, diagnostic.
- **Physical location** is basic stuff – the individual employee's room, floor, assembly line, work station number, cell, ward or whatever.

## **Contract and working pattern**

Contact and working pattern details are clearly important pieces of information, especially for short-term planning (for example, of shifts, work allocation, *etc.*).

- Employee **contracts** are increasing in variety and complexity. Many employers have, as well as the traditional full-timers and part-timers, people who job share, or work annualised hours, or have term-time only contracts.
- **Working patterns** can also be very varied; most people work days, but shift and rota working are also common, as are flexitime, four-day weeks, nine-day fortnights *etc.*

## **Personal characteristics**

Equal opportunities monitoring calls for good quality data on gender, age, disability, ethnicity, caring responsibilities, *etc.* These are also highly relevant to initiatives targeted at particular groups (such as family friendly policies, or ethnic minority forums), while age data is important, too, for workforce and succession planning.

## **Level**

Most organisations, even those with flatter structures, have a concept of 'level'. An example might be: trainees, operatives, supervisors, managers, senior managers. Larger organisations often have junior managers, middle managers and senior managers, even if these are not the 'official' terms. Very organic structures may function almost entirely by having self-managed teams, or project teams, but even these will have less experienced ('junior' or 'trainee') members and fully contributing ('qualified' or 'senior') members. Level descriptors usually exist, but are not often translated into a formal classification, entered onto a computerised HR system. **Grade** is sometimes used as a proxy, although this can be difficult in organisations with a myriad of grades in different staff groups. Some organisations have adopted **broad-banding** as a way through this jungle – the merging of

several grades into a few pay bands – although in reality there often remain subtle gradations within each broad band.

### 3. Making sense of it all

The classifications described above are only the bare minimum starting point for many organisations, but are already so detailed that it can be hard to see the wood for the trees. While short-term resource planning often does require a lot of detailed data, longer-term forecasting – for example, HR planning, scenario planning, workforce modelling – typically needs a broad-brush approach, as it cannot be an exact science. The concept of ‘job families’ has been around for some years now, and has been taken up by some organisations, as will be described later. Can job families really be the answer – the unifying classification system that will enable organisations to plan and manage their workforces with confidence?

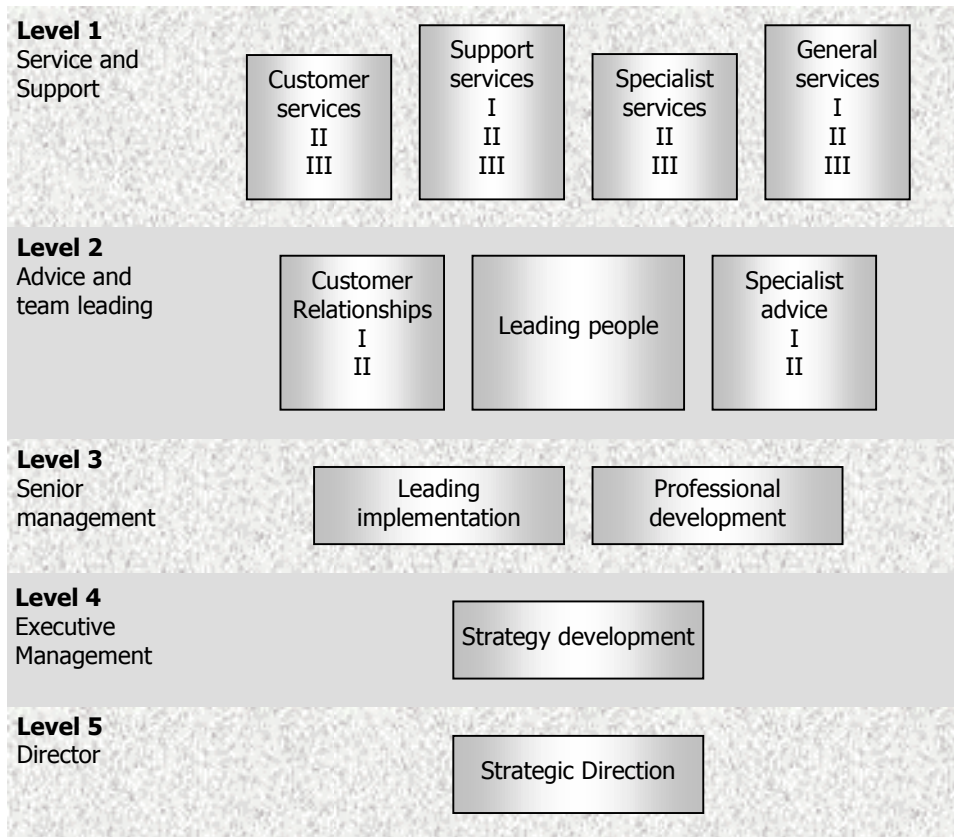
#### What are job families?

A job family is a collection or grouping of jobs that have a similar nature or purpose. Typically, it will have a fairly clear career path and pay structure, that will differ from those of another job family. Although it is usually possible to switch from one job family to another, this is a sufficiently unusual event to justify the drawing of a boundary around the jobs comprising the job family. Job families can involve a functional grouping (*eg* finance, sales) or a generic grouping (*eg* secretarial, project management). In a medium sized IT company that produces and sells software packages, for example, there might be three main job families: the developers and writers of the software, the software support teams, and those in sales and marketing. As the company grows, separate job families might develop for central/management functions and for administrative and secretarial support. Some real life examples should help to clarify the definition.

#### Nationwide Building Society

The Nationwide’s foray into job families is described in detail in the May 2000 issue of ‘Pay and Benefits Bulletin’ number 495. The Nationwide introduced job families in 1998, as part of the company’s move towards a flatter, broader, more flexible structure. There are eleven job families, each containing jobs grouped on the basis of similarities in the *nature* of peoples’ work (rather than the *function* to which people belong). Each of the eleven job families is assigned to one of five ‘levels’ in the company, and within each job family there are often several ‘work levels’ (see Figure 1). The ‘General Services’ job family, for example, belongs to *company level 1*, and contains jobs belonging to one of three *work levels*. Warehouse operatives and team members are at work level 1, production technicians and fork-lift

**Figure 1: Job family levels at the Nationwide Building Society**



Source: *Pay and Benefits Bulletin 495*

truck drivers at level 2, and transport and mailing room supervisors at level 3.

The job family structure was used as the basis for a new pay system introduced in 1999. Each work level has a salary range attached to it, so that an individual employee could be paid somewhere between minimum salary (80 per cent), target salary (100 per cent) and premium salary (120 per cent) depending on experience and performance.

### **South Devon Healthcare NHS Trust**

South Devon Healthcare's attempt to introduce job families is reported in the *Health Service Report*, Summer 1996 issue. This NHS Trust was an early adopter of the job families model, deciding to use it as far back as 1992. As in so many publicised examples, the main motive was pay-related – in this case, a move away from national Whitley pay scales towards a local pay system.

The Trust decided to create six broad job families (see example below), using three main factors to decide which jobs should go where:

- current pay levels (eg similarities between pay scales across existing Whitley groups)

- job roles and work 'culture' (eg similarities in qualification levels and professional status)
- the labour market for each group (eg local, regional, national, international).

### **'Job Families' for pay and conditions determination at South Devon Healthcare NHS Trust**

Three criteria were used to develop the six job families:

- current levels of pay
- work content, organisation and culture: and
- labour market.

#### **1. Clinical**

This group includes qualified nurses (excluding senior nurse managers) and qualified professions allied to medicine (PAMs). Putting these previously separate groups together makes a natural grouping, reflecting the pay review body coverage. Both are drawn from a national, skilled labour market, and it makes sense to put them together.

The matriculation, study and qualification levels are broadly similar and both groups appear to occupy a similar status in the skills hierarchy and the labour market. Existing pay ranges are also broadly similar.

Speech therapists and psychologists are also in the clinical job family. Although speech therapists 'mesh' easily, in terms of both work culture and pay, psychologists are more problematic, in that skills and pay levels are higher. However, they do not fit into any of the other six groups well, and there are strong operational links with other specialisms, making membership of this group the most appropriate.

#### **2. Support**

This group includes ancillary staff, works staff and healthcare assistants. It is important to group ancillary, unqualified nurses and PAMs (footcare assistants, physiotherapists and occupational therapy helpers) together at this stage in anticipation of the HCA role encompassing all of these sub-groups.

All of these groups are recruited from a local market, are semi-skilled and are all non-professionals. Skilled works staff fit into this group in the same way that production and maintenance staff do in manufacturing industry. There is a strong underlying cultural affinity between these sub-groups.

#### **3. Administrative and clerical**

This group consists of administrative and clerical staff up to and including grade 5 in the national scale. As such, it retains 95 per cent of staff from the existing administrative and clerical group, releasing senior staff in grades 6 and 7 to join the new managerial and professional group (see below). Removing these few senior administrative and clerical staff leaves a 'purer' group which is drawn exclusively from a local, rather than national, labour market.

It is stressed that this group cannot be included with the support group. The labour market from which individuals in this group are drawn is a skilled, white-collar one. Furthermore, the dynamics of local pay pressures will be different. Putting administrative and clerical staff

into a blue-collar staff group could also create industrial relations problems.

#### **4. Managerial and professional**

This group consists of senior nurses, administrative and clerical staff in grades 6 and above, heads of service, estate officers, scientists and pharmacists. All of these sub-groups are either general management, specialist management, or senior technical specialists.

Scientists and pharmacists do not sit too well in this group but, like psychologists, they do not fit better with any of the other groups either.

#### **5. Technical**

This group consists of laboratory technicians and scientific officers currently covered by the Professional and Technical B Whitley Councils. This group encompasses all technicians in the organisation, and individuals in it are drawn from a clearly identifiable national, skilled labour market.

#### **8. Medical**

Recognition of this group as mutually exclusive is appropriate and virtually unavoidable.

*Source: Health Service Report, Summer 1999*

The intention was to develop local reward packages for each of the six job families over a three year time period, at the rate of two a year. However, after a good start, things began to go wrong. The introduction of a new package for the managerial and professional group was judged 'wholly successful' by the Trust, but it proved much harder to convince support staff that their new local reward package was a better deal than their existing Whitley terms and conditions. Three years after its introduction, less than 15 per cent of support staff had adopted it. Progress was also very slow in the administrative and clerical group, and virtually non-existent in the medical group. In the clinical group, patchy attempts were made to tackle particular professional groups within the broad job family; these proved unsuccessful, partly due to increased national activity in relation to pay structures for these groups.

## **4. Discussion**

### **The pay link**

Our literature review yielded several examples of organisations that had introduced job families; it is interesting to note that nearly all were companies in the financial services sector. Most wanted to simplify their organisational structures, and in particular their pay systems. Inevitably, this link with pay attracts attention away from the wider possibilities of job families (career planning, workforce modelling *etc.*), especially as the involvement of trade unions tends to occur only at the point at which discussions about job families start to focus on pay and conditions. If the organisation is unsuccessful in introducing a new pay system



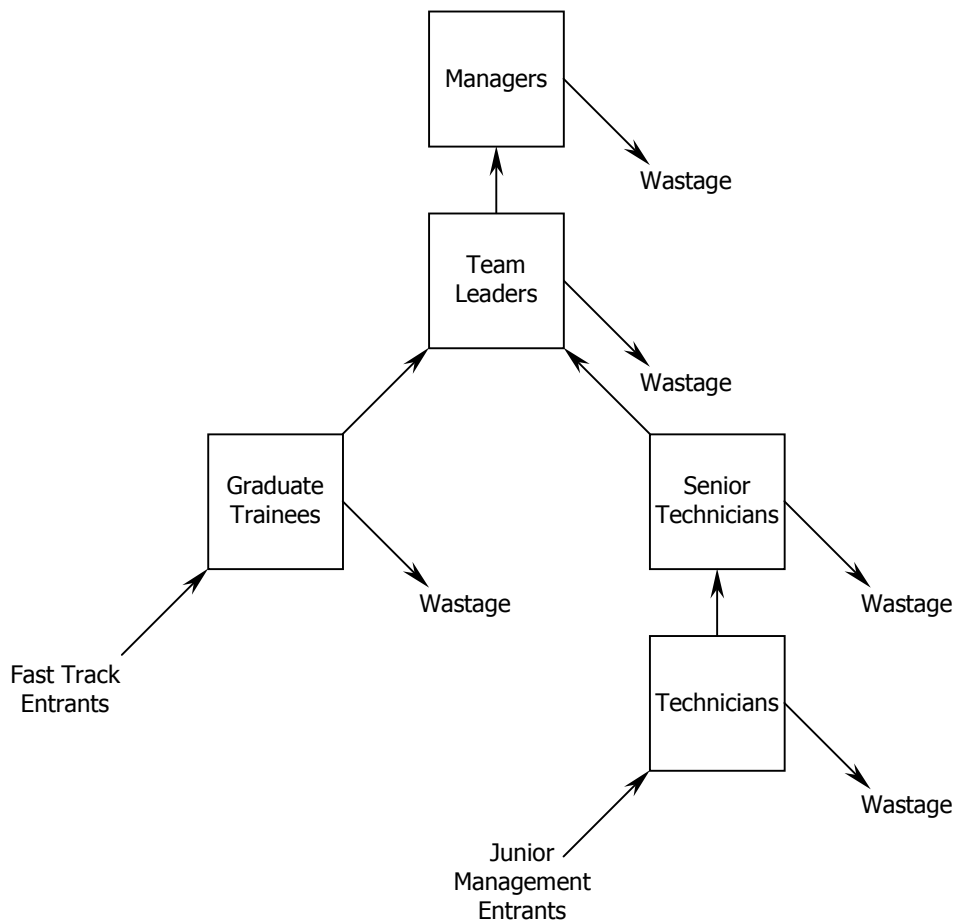
based on job families, as South Devon Healthcare was, the concept is unlikely to be taken seriously if used for any other purpose.

### Are job families really new?

The straightforward answer is no, they are an old idea going under a new name. HR practitioners who have been involved in career planning or workforce modelling, for example, have been using job families for years, but have not been calling them by that name. Figure 2 shows a typical 'box-flow' diagram often used for modelling purposes; this example is from an old IES report (1991), in which it was used to illustrate a career planning issue. Each 'box' typically contains several grades and types of employee, who can be grouped together loosely because they share a common purpose, career characteristics, etc. In today's terminology, they would probably be called 'job families'.

What is new, however, is the use of such groupings as the pegs on which to hang a new pay system. When a recent IPD survey asked organisations why they had introduced job families, 'To provide for rewards to be based on personal contribution and progress' came only fourth in the list, after 'To map out career paths', 'To achieve more flexibility' and 'To identify market groups'. Given the relatively low

**Figure 2: Typical Box-Flow Workforce System**



Source: IMS Report: Career Models for the 1990s

positioning of the pay and reward factor, it is surprising that all the case study examples uncovered by our literature search emphasised, above all else, the requirement for a new, more flexible pay system.

### **The pros and cons of the job family approach**

Research (Armstrong and Murliss, 1998) indicates several benefits of the job family approach. Job families can help to:

- clarify career paths, and allow horizontal career movement across job family boundaries
- increase flexibility in pay structures
- guide line managers who are deciding on pay progression for their staff
- give structure and progression opportunities within broad grade bands
- provide the opportunity for an organisation to react to market rates without going outside their existing pay structures.

However, there can also be problems with the approach, as job families can:

- create perceptions of lack of internal equity, if similar jobs in different families are paid at different rates
- overcomplicate the pay structure and make it difficult for employees and their managers to understand
- fix employees in a constricting career path within one job family, when it might have been better for them and the organisation to encourage movement.

Our experience to date at IES is that the job family approach works reasonably well for career guidance at the individual level and career planning at the organisational level. It is also appropriate for long-term, large-scale workforce modelling and scenario planning. However, hailing job families as a unifying classification system that will meet all needs is misleading for several reasons:

- It is not suitable for short-term planning, which usually needs a much greater level of detail about individuals and their jobs than the job family approach can provide. Examples might be shift planning for the next six months, or selecting employees for potential early retirement.
- For similar reasons, it is often unsuitable for planning at lower levels within the organisation – such as projecting workforce changes within a department, or planning a factory closure.
- Linking a new pay system to job families can overcomplicate a previously straightforward classification, as a myriad of grades, occupational groups, terms and conditions *etc.* have to

be forced into what was originally devised as a simple overview of the organisation. A further problem is that, if the pay link fails, the job family approach could find itself discredited and unusable for other purposes.

- Organisations use their computerised HR systems to record detailed information about individuals and their jobs, but are less likely to devise a coding structure to reflect the position of those individuals and jobs within a simple, organisation-wide structure. When IES carries out workforce modelling, for example, data provided by our client organisations always has to go through a streamlining process in order to produce a diagrammatic 'box-flow' model. HR practitioners in these client organisations can always tell us the significant career steps and main employee groupings, but cannot produce data from their systems to reflect these.

## References

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## Member input

We would like to hear more from our members about job families (or any other taxonomies that you have found to be effective). Does your organisation use job families? If so, for what purposes? What are the pros and cons? If your organisation does not use job families, can you see potential uses for such a classification system? Or are there sound reasons why you would *not* like to go down that route?

If you are prepared to share your experiences, email me: [dilys.robinson@employment-studies.co.uk](mailto:dilys.robinson@employment-studies.co.uk). If I get enough responses, I will summarise members' views and ensure that the summary appears on the web-site.

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Also at: [www.employment-studies.co.uk/networks](http://www.employment-studies.co.uk/networks)

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