
Attracting & Retaining the Talent You Need – While Managing Your Compensation Costs

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What makes a compensation system successful?

- First and foremost, it must support a manager's ability to attract, retain and motivate staff.

- And in the current economic climate:
 - Is cost effective and flexible

- Beyond that, staff want a system that:
 - Is transparent and understandable
 - Rewards them for their contributions
 - Supports professional development
 - Is equitable – internally in relation to their colleagues and externally in relation to the market

The Career Framework: How does it meet these objectives?

- Is organized around the concept of career progression
 - Reflects the way individuals think about their development
 - Reflects the manner in which the marketplace defines a career ladder
- Is clear, logical and readily understood by managers and staff
- Ties the compensation of a position directly to the market value of the job
 - For example, the salary range for a lawyer is linked to pay levels of senior lawyers in the marketplace (as defined by the organization).
 - Staff know they are paid equitably in relation to the market
 - The organization pays each specialty relative to its market value, not more or less
- Provides internal equity through consistent levels and titles
- Provides career paths and a framework for explaining performance expectations and developmental needs to employees

The Career Framework: Other Benefits

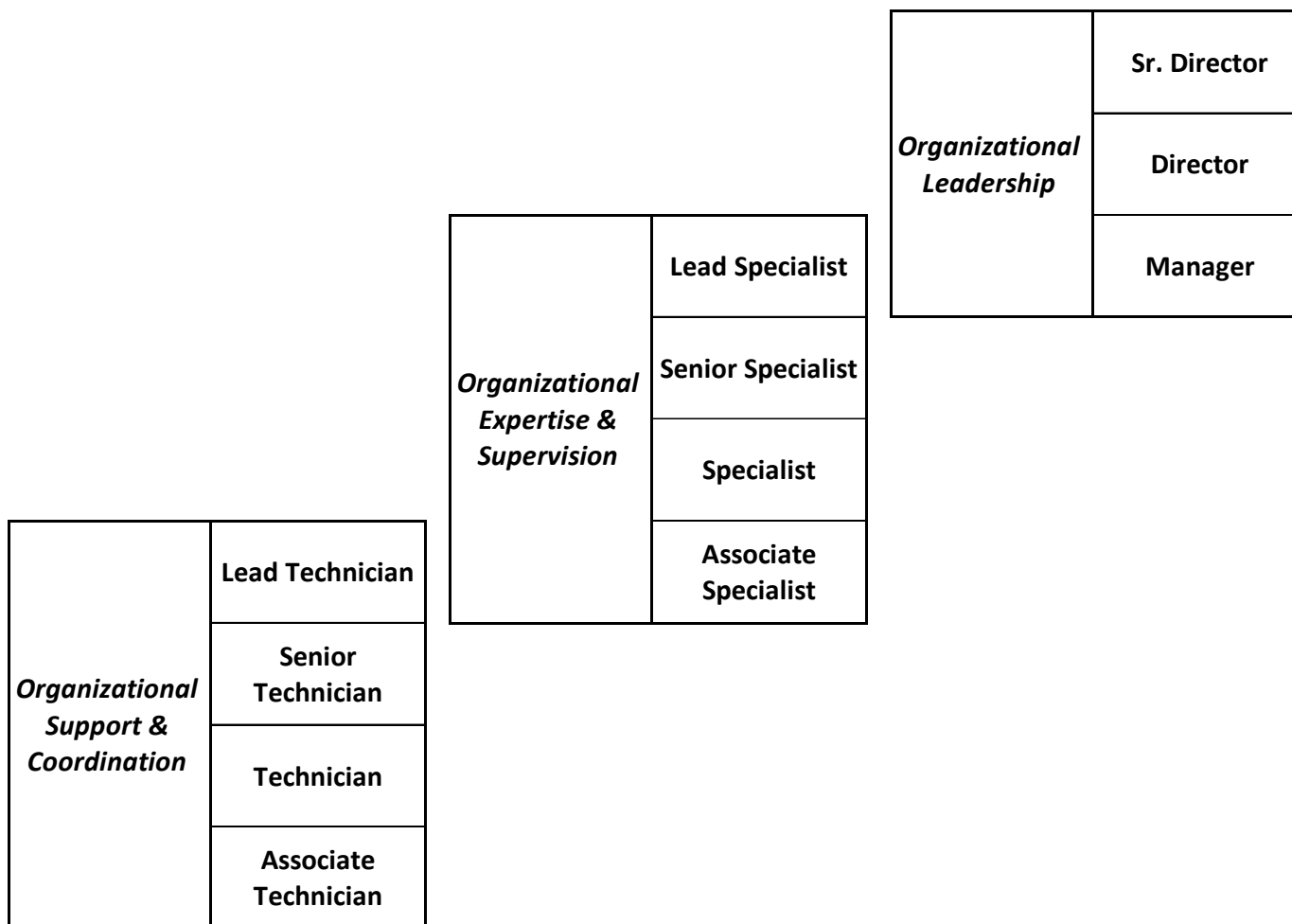
- Is customized and designed around the organization's specific job families and required competencies
- Creates a structure that supports numerous human resources processes including:
 - Compensation
 - Performance Management
 - Career Development and Succession Planning
 - Staff / Workforce PlanningAnd serves to integrate them and support the desired values and competencies of the organization
- Is flexible and can meet evolving organizational needs through the creation of additional Job families or levels

The Career Framework: What is it?

- It is composed of a series of levels that represent increasing levels of expertise and accountability.
- Each level is explicitly defined by the responsibilities, accountabilities, competencies, and the contribution expected of an individual at that level.
- A consistent titling scheme is associated with each level.

The Career Framework: A Sample Structure

- The structure below uses generic market titles for the different levels.



The Career Framework: Categories of Jobs

- Organization Leadership and Management
 - Positions at these levels are those that lead and manage the employees and functions of the organization. They require a high level of expertise as well as significant leadership capabilities and are accountable for the results of their areas of responsibility.
- Organization Expertise:
 - Positions at these levels are those that provide professional expertise and support for the functions and programs of the organization. They require knowledge of a functional area, (e.g., legal, accounting, education), and contribute to the organization through the application of their expertise. They may also supervise staff, typically in support and coordination positions.
- Organization Support and Coordination:
 - Positions at these levels are those that provide operational and administrative support and coordination for the functions and programs of the organization. They require skills that are typically obtained through vocational or technical training and support the organization through the application of their skills.

The Career Framework: Job Families

- The Career Framework is also based on the grouping of jobs involving similar work.
- Each grouping is a Job Family, e.g., Accounting Job Family, Legal Job Family.
- The levels of the Career Framework apply to each Job Family.
- A staff member's Job Family represents his or her career path in that specific discipline.
- A Bar Association's Job Families could include, among others:
 - Accounting
 - Administrative Support
 - Communications
 - Education
 - Human Resources
 - Information Technology
 - Legal

The Career Framework: Job Families

- Job Families are a critical element of the structure design.
- They represent a staff member's career path in his or her discipline.
- Both staff members and their supervisors have a better understanding of what is expected of a job at a particular level.
- Training and developmental needs are easier to identify both for successful performance in a staff member's current job and for progressing through the Job Family.
- Staff members who might want to pursue opportunities in a different Job Family understand the requirements for those positions.

The Career Framework: Job Families

- At an organizational level, the Career Framework can be used to support Succession Planning by:
 - ❑ Ensuring all critical competencies are included in the level descriptors so that high potential staff members are being developed appropriately
 - ❑ Creating potential career paths and development plans to the organization's senior level positions

The Career Framework: Job Families

Career Progression Levels	Accounting Job Family
Director	Controller
Manager / Lead Specialist	Accounting Manager / Lead Accountant
Senior Specialist	Senior Accountant
Specialist	Accountant
Associate Specialist	Associate Accountant / Lead Accounting Clerk
Senior Technician	Senior Accounting Clerk
Technician	Accounting Clerk
Associate Technician	Associate Accounting Clerk

The Career Framework & Compensation

- Each level in a Job Family has a salary range associated with it.
- Salary ranges for a Family are tied to the appropriate marketplace (prevailing wages for jobs in that specific family) , and therefore ranges at the same level can vary by Job Family.
 - For example, the range for a Senior Network Engineer is higher than that for a Senior Accountant even though both positions are at the Senior Specialist level.
- To simplify administration of the system, when Job Families have similar market pricing, they can share a salary range, or a range for each Job Family can be defined independently.

The Career Framework & Compensation

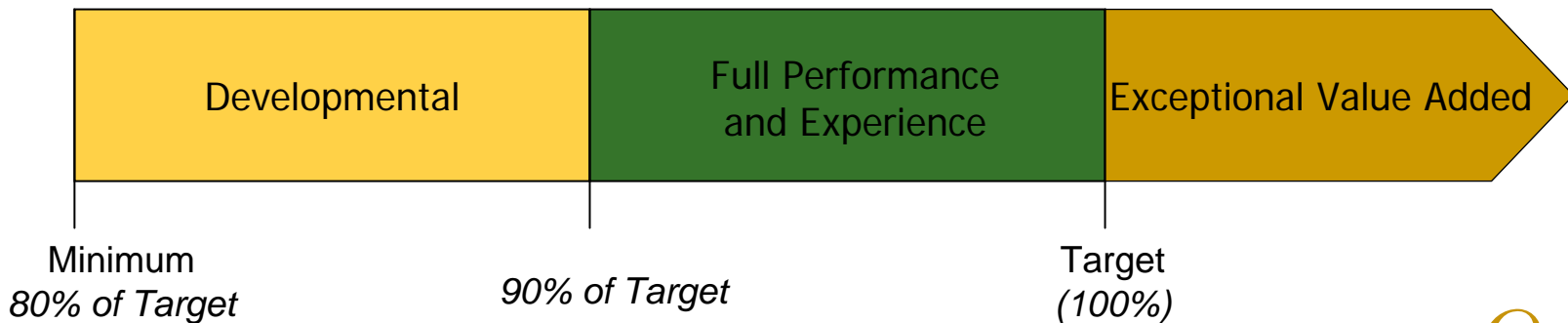
		Salary Ranges Effective July 1, 2008				
		1	2	3	4	5
Job Families in Range:		Legal	Information Technology	Finance Human Resources Online Communications	Internal Operations Meetings Membership	Administrative Support
		Range Target	Range Target	Range Target	Range Target	Range Target
LEVEL	Director	\$160,000	\$130,000	\$123,000	\$110,000	
	Manager / Lead Specialist	\$125,000	\$105,000	\$98,000	\$92,000	
	Sr. Specialist	\$100,000	\$86,000	\$77,000	\$75,000	
	Specialist	\$80,000	\$72,000	\$64,000	\$62,000	
	Associate Specialist / Lead		\$60,000	\$53,000	\$52,000	\$55,000
	Sr. Technician			\$46,000	\$43,000	\$48,000
	Technician			\$40,000	\$37,000	\$42,000
	Associate Technician				\$32,000	\$38,000

The Career Framework & Compensation

- A salary range is established using the market value of the level as an anchor.
- We recommend that the salary range have a *published* minimum and a target.
 - The **target** of the range represents the market value of the position and is **based on a specific point in the market place**, e.g., the 50th percentile, the 75th percentile.
 - This market target is typically identified in the organization's compensation philosophy.
- The minimum is usually set at 80% of the median of the market – unless organizational circumstances dictate otherwise.
- An *unpublished*, administrative maximum is set at 120% of the target.

The Career Framework & Compensation

- To maximize the effectiveness of the compensation program, the range can be used as a performance continuum.
- A staff member's pay within the range is determined by specific, organizationally defined factors which might include:
 - ❑ Knowledge, skills, and competencies
 - ❑ Experience at the level
 - ❑ Performance history in the position
- Individual compensation moves through the range as the staff member develops the skills and competencies required by the position, and increases his/her level of contribution.
- Typically, compensation above target is limited only to those with a history of outstanding performance.



The Career Framework: A Management Tool

- Each level in the Career Framework describes an incumbent with a different level of skill and competence.
- Managers can use the Career Framework as a tool to determine the most effective staffing requirements for their area.
- By examining the actual work done in a particular area, a manager can determine how many staff members at each level are required to do the work most efficiently.
- This can ensure that compensation dollars are used most effectively by not hiring (or promoting a staff member) above the level required to do the work.

About Quatt Associates

- Quatt Associates, Inc. is a management consulting firm dedicated to serving forward-thinking organizations in the nonprofit and for-profit sectors.
- Founded in 1997, the firm's practice has grown from an almost exclusive focus on compensation design at its founding to its present broad practice which includes executive compensation, organizational development and strategic planning, in addition to human resources systems and compensation work.
- Located in Washington DC, Quatt Associates works with organizations throughout the US.
- The firm's clients include a number in the legal sector. Among them are:
 - ❑ American Bar Association
 - ❑ Association of Trial Lawyers of America
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