

Tailor Your Job Titling to Fit the Job



PHOTO © ISTOCK/JANE_KELLY

Many organizations shortchange the impact of job titles

either by practicing creative but disjointed job titling or giving little, haphazard thought to naming and delineating their positions. Yet, smart organizations have learned that job titling is a key component of total rewards because those titles can influence an organization's ability to attract and retain top talent, affect turnover costs and cause or mitigate discrimination.

Research-based HR literature going back 30 years substantiates the importance employees generally place on job titles. In 1988, I, Victoria, wrote, "The title that an employee holds influences his or her self-concept, identity and ultimately, feelings of self-worth," ("Job Titles — What Are They Costing You?" *Human Resources Magazine*, winter issue). A title defines to whom and to what the employee has access and, in many cases, job titles significantly affect employee compensation, benefits and total rewards.

Fast-forward to today and "many employees consider their job title a form of self-expression in the workplace that symbolizes

what they do and the value they bring to the job," London School of Business Professor Dan Cable told Rebecca Knight ("How to Ask for the Job Title You Deserve," *Harvard Business Review*, July 17, 2017).

Attracting Qualified Talent

Although most people tend to focus on salary negotiation during the job offer/promotion process, the job title also should be part of the equation, Knight pointed out in that *Harvard Business Review* article.

Given the importance of job titles, particularly among Millennials, companies that lack a cohesive job titling system, use a hodge-podge approach

“Many employees consider their job title a form of self-expression in the workplace that symbolizes what they do and the value they bring to the job.”

or simply say, “We aren’t much for job titles around here,” will have a challenging time attracting top talent in the future.

Retaining Top Talent

Employees know their job title can benefit their career and future job opportunities, Knight further observed. Employees are aware of how their job title aligns with a comparable job in other companies. In time, this knowledge will influence their decision whether to stay.

Consider the high-performing chief HR officer whose title is “Director of Human Resources” for a 1,500-employee organization with union and nonunion employees. After eight years in that position, he left his company for two reasons: to replace his stingy job title with a VP title and be paid \$25,000 more in annual base pay for a position in a comparable-size organization. The cost to find his replacement? \$90,000.

The Stingy Title’s Effect on Real Work

Job titles can have a big effect on employees’ day-to-day happiness and engagement, Cable told Knight. Whether struggling privately about self-worth, complaining to co-workers or grouching online, employee dissatisfaction with job titles takes time and a toll on productivity.

Consider the Accountant I who performs high-level financial analysis, analyzes competitor market data and makes recommendations on M&A deal making. In most organizations, her title may be “Senior Financial Analyst” or perhaps “M&A Project Managers.” In her current organization, there is little appetite for a methodical job titling system.

After hours of obsessing about her title, researching comparable positions and negotiating with her leader and HR, her job title was changed. In the absence of a methodical job titling system, the time it takes to negotiate job titles is a distraction from the real work to be done.

The Dangers of Combining Multilevel Jobs into the Same Title

Some job classifications require licensures or certifications. Sometimes, jobs get lumped together into one grade and pay

range within a generic classification, regardless of required certifications.

For example, there are differences in the resident assistant (RA) classification within assisted living/memory care organizations. The RA I position assists residents with personal care, dressing and undressing, personal hygiene, lifting and moving residents as well as other duties. On the other hand, the RA II or a certified nurse assistant (CNA) may perform similar work, but his or her role also includes de-escalating dementia-related behavior and isolating residents to ensure the safety and comfort of residents and employees. If the position also involves distributing medication to residents, the job requires a CNA certification.

Lumping all RAs into the same classification, grade, pay range and job title may compromise required skills, jeopardize attracting qualified talent and place residents and employees at risk.

Potential Discrimination Investigations

In the absence of systematic job titling, tenure, gender or favoritism can play a role and result in bloated or unfair pay, thus paving the path to discrimination. For example, in museums and performing arts organizations, there are many multi-incumbent positions, such as the Visitor Services Associate.

This classification may have more than 150 employees performing similar duties, yet strung across three pay grades, three pay ranges and three different titles. Through job analysis, it’s clear that there

are no discernable job duty differences between levels two and three of this position. Sometimes, with further scrutiny, we find a larger proportion of males and whites in level three with higher job titles, a higher pay range and higher average pay. In these cases, it's not blatant pay discrimination that triggers an investigation, it's the job titling that tips off the U.S. Equal Employment Opportunity Commission.

Titles vs. Pay Erodes Engagement

In these tight talent times, competitive pay is a core component of the total rewards package. "Survey after survey indicates that the No. 1 most important thing to employees about a job is salary," observed Ashley Stahl ("Employers Take Note: Here's What Employees Really Want," *Forbes Leadership*, Oct. 12, 2016).

In the absence of a competitive wage and sound pay practices, some organizations hand out inflated job titles to engage and energize employees. This is a disservice to employees and employers alike. Yes, the practice may be a temporary solution to noncompetitive pay and could satiate employees in the near term. But in the long run, it is an expensive window dressing that eventually promotes inconsistent job titling, creates dissension among employees, erodes engagement, drives high-performing employees away and contributes to costly turnover.

Reducing Turnover Costs

Job titles and job progression are important components in the total rewards package. A major contributor to Millennials' low employee engagement may be poor or absent professional development and job progression, suggests a 2017 Gallup survey.

Almost three out of five (59%) of Millennial respondents (born 1981-2000) said opportunities to learn and grow are extremely important to them when applying for a job, compared to 44% of Gen Xers (1965-1980) and 41% of Baby Boomers (1946-1964). Clearly, many companies' job progression and associated job titling approaches are missing the mark and playing a negative role in attracting, engaging and retaining employees in the current war for talent.

Methodical job titling, married with job progression, is motivating to employees. Take, for example, the challenge residential treatment centers have in attracting and retaining employees. Where the annual turnover rate is sometimes as high as 95%, finding ways of attracting and keeping counselors is a never-ending challenge.

Now consider a multi-location residential treatment center that was experiencing 90% turnover. After analyzing the job duties, required skills and market pay of the residential

counselor position (RC), a multi-tiered job progression system was designed with differentiated job titles tied to job content.

Today, RC job candidates can readily see the difference in job duties associated with each job title and pay range. Although this job titling and job progression system can't take all the credit, turnover has decreased to 47%.

Innovate a System that Is Embraced by All

So, what's the answer to developing a job titling system that helps organizations attract and retain talent and be embraced by leaders and employees alike? Consider several concepts to designing a job titling system that sets your organization apart.

An Overarching Titling Guide

You can develop an overarching job titling guide that fuses variables such as organization level, scope of responsibility and span of influence. For example, when titling a leader job, consider the number and variety of functional areas that a position leads:

- Executive vice president and senior vice president positions must lead three or more primary functional areas through departmental leaders.

Additional Reading

"Creative Job Titles Can Energize Workers," by Daniel M. Cable in the May 2, 2016, issue of *Harvard Business Review*.

"Three Trends that Will Disrupt Your Workplace," by Andrew Dugan and Bailey Nelson online on June 8, 2017, in *Gallup News*.

"Job Titles as Identity Badges: How Self-Reflecting Titles Can Reduce Emotional Exhaustion," by Adam M. Grant, Justin M. Berg and Daniel M. Cable in the *Academy of Management Journal*, 2014.

"What to Do When Your Heart Isn't in Your Work Anymore," by Andy Molinsky in the June 10, 2017, issue of *Harvard Business Review*.

- A vice president title leads one or two primary functional areas through departmental leaders.
- A director title leads at least two departments.
- A manager title manages a department.

Considering the number and variety of functional areas that a position leads is one of several variables that can help differentiate job titles.

Acknowledge the Competition

Recognize how other organizations of your size, industry and organizational structure title their jobs. Consider using creative titles for hybrid jobs. But for jobs common within your industry, avoid titles that are confusing or meaningless to job candidates.

Be Consistent

Establish a template for naming jobs. For example, if a position qualifies for a director title, then title the job either “Director of Human Resources” or “Human Resources Director.” Be consistent in using the title first or the discipline/functional area first.

Be Distinct

Avoid similar titles for jobs performing different work that require distinct skills and certifications. Use job descriptions and job leveling guides to define differences in job duties, knowledge, skills and abilities (KSAs), education and certifications to support using different job titles.

Be Efficient

For multilevel jobs within the same job group, develop as few job levels as are needed by the business. When job content and job titling structures become overly specialized, the number of job levels between the bottom and top increase. This practice creates ambiguity about the true differences in job content and required KSAs among the job levels and titles.

Lean on Teams

Consider developing the job titling system using a project team approach led by a project manager. Place boundaries around the project and include a cross-section of employees on the team.

Build a Menu

Brainstorm and rank order all acceptable job titles to create a job titling menu. Here’s where you can be creative, as long as you ensure your menu of titles is aligned with titles used in your industry. If your titling menu is too different, you won’t be able to benchmark compensation data and calibrate job

requirements to the outside world. Qualified candidates will pass on applying because the title will be out of sync with job content.

Define Differences

Define the differences in job responsibility/level among titles such as senior vice president, vice president, director, manager, supervisor, administrator, specialist, analyst, coordinator and lead.

Create a Matrix

Link your job titling menu (acceptable titles) with organizational level and span of responsibility. This process results in a job title matrix that guides coherent job titling, reduces grumbling and wasted time, and helps mitigate risk.

Adding It All Up

Job titles absolutely matter and cost you in one way or another. Titles are a critical component of your total rewards portfolio, and haphazard or inconsistent job titling will create mistrust and confusion, drive off Millennials, waste money and even may be discriminatory.

Establishing early on the rationale for developing a methodical, consistent job titling tool is the first step and helps secure leadership’s buy-in. Sponsoring a cross-functional project team to brainstorm and design the job titling system can help expand employee knowledge of jobs and promote their acceptance of your job titling system. Your job titling approach will help create competitive advantage in your total rewards package. **WS**

Victoria Fuehrer, CCP, SPHR, SHRM-SCP, is president of Portico Consulting LLC. Contact her at vf@porticopossibilities.com.

Felicia Fuehrer is a senior total rewards consultant at Portico Consulting LLC. Contact her at ff@porticopossibilities.com.



Victoria Fuehrer, CCP, SPHR, SHRM-SCP
President



Felicia Fuehrer
Senior Total Rewards
Consultant