Dual Career Tracks

Playing to People’s Strengths, and Recognizing the Worth of Their Contributions

Are managers worth more than professional contributors? Should seasoned experts have to become ‘managers’ in order to progress within an organization? Is leadership a broader concept than managing people and budgets?

We present a framework for understanding the issues associated with Dual Career Tracks, explore how they can contribute to organizational effectiveness, and consider why they are resisted by some stakeholders. We also outline six practical options for dealing with situations where senior professionals run into organizational or compensation ceilings.
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Executive Summary

Many organizations are concerned that traditional (vertical) career tracks are not meeting their needs. There are limited opportunities to promote into managerial roles. Senior professionals are hitting pay ceilings, and often do not want to become managers - nor would they be good at it. A number of organizations have sought dual career track solutions to unblock the (compensation and role) ceilings that serve to limit progression for these valuable resources.

Dual career tracks are said to exist where professionals are given a choice in terms of their career development. There are two basic scenarios. The first scenario is one of parallel tracks. This simply recognizes that the roles of individual contributors can be worth as much as (or more than) the junior levels of management. It provides for a period in a person's career where they can remain a pure individual contributor and be seen as a peer with managerial colleagues. This approach provides some relief, but the parallel zone is limited, and professionals still have to become managers at some (relatively early) point if they wish to progress further.

The second scenario is based on alternative career tracks. It recognizes that (meaningful) senior roles have to perform some form of leadership function. However, there are multiple aspects to leadership, and they can be broken apart into different jobs. For example, the shipbuilding industry uses the role of Project Director - a role that manages the work but does not manage the people or their expertise. Or professional service firms that separate Practice (expertise) Leadership from the management of people and projects.

The idea of an Expertise Leader role, providing leadership in terms of expertise / knowledge management but is not required to be a leader of people or projects / work, is attractive for many reasons. It can provide a legitimate basis for recognizing and rewarding technical experts at an equivalent level to middle or even senior managers. Equally importantly, it allows roles to be designed that emphasize skills / competencies that tend to be found in natural clusters - i.e. real people.

However, there are difficulties with the Expertise Leader approach. It means re-organizing the way an organization works, but may or may not make the organization function more effectively. Care needs to be taken to ensure that the 'tail isn't wagging the dog'. Furthermore, if the issue is essentially one of people hitting a ceiling with respect to recognition and rewards there may be other vehicles available to remove these constraints. Such vehicles can be effective and should be considered before embarking on the more risky option of changing the organization design.
The Current Organizational Challenges

Retaining Talent

The 1990s and the new millennium presented a series of new challenges. The War for Talent gained momentum and providing an interesting and rewarding career became a key weapon. Conventional opportunities were reduced as organizations had already de-layered in order to maintain competitiveness. Less layers meant fewer managerial roles and fewer opportunities for professional staff to be promoted. The need was to provide developmental opportunities for highly valuable talent and the concept of key roles focused exclusively on the technical knowledge content of work grew in popularity.

Pay Ceilings

The creation of senior specialist / expert roles may have been driven by a desire to create development opportunities for highly valuable talent, but a significant by-product was the ability to pay more money. This served to relieve another pressure that had been growing within reward structures - the capping of salary progression. With fewer promotions, individuals spend a longer time at the same grade level and progress to the top of their salary range where they became "stuck". This resulted in a potential loss of motivation and / or causing people to seek opportunities outside of the organization. This apparent rigidity in the salary structure could be solved in one of two ways: create opportunities for promotion (dual career track), or extend the pay range upwards (broad-banding).

Increased Managerial Stress

The increasing complexity and pace of modern organizations and work placed growing stress on the ability of a single manager to perform all of the functions of their role. As technology, products and markets evolved, the likelihood of an individual manager being able to stay on top of all developments was reduced. Some managers needed assistance to cope with the rapidly changing environment, or to focus on the delivery of the more complex work in their units. This trend first became apparent in the high-tech sector due to the rapid pace of development of technology. However, it was also seen in situations where the workload on the Manager was so great (e.g. due to de-layering or other changes), that some form of assistance was required to complete the workload.
Technical Experts May Be Poor Managers

Alongside the evolution in work, organization design and reward structures, came a growing awareness that technical specialists/experts were often not effective in leadership roles - particularly those that included leadership of people. Modern competency-based approaches became prevalent in an attempt to identify the attributes required to select and develop superior leaders and it was increasingly clear that many of the best technical contributors were not made of the same 'stuff' that was required for superior leaders. The pages of management textbooks were filled with horror stories of organizations trying to make managers out of the wrong people. Of equal importance was the challenge from both leaders and experts asking why they had to take people who were excellent at what they did and push them into (managerial) roles that they neither wanted nor were equipped to perform? Surely, there must be a better option.
A career track is a framework that illustrates the normal progression an individual follows through an organization. This track is typically within a particular functional area or professional discipline, but can include related functions or disciplines where there is career mobility based on similar skills and competencies. For illustrative purposes, Figure 1 displays a classical structure in which the progression through the career track is one-dimensional.

In this situation, an individual might join the career track as a para-professional or a junior professional. They would progress first through the professional ranks then become a junior manager and continue through the management ranks. Each step up the career 'ladder' is reflected in increased rewards and status, as each step is associated with increasingly difficult job demands.

This is a somewhat stylized illustration. In the modern world of work, it relates best to a blue-collar environment, where the professionals might be trade-type jobs and technicians. In more knowledge-based environments, the intellectual demands placed on professional positions can be equal to, or exceed, those placed on junior management positions, and so the career track splits and offers alternative types of roles that are of 'equal value' to the organization.

The defining attribute of a dual career track is that, at some point in the path, the individual is presented with a choice. There is an opportunity to continue as an individual contributor or to move across and become a manager, and this choice comes before the most senior level of individual contributor role.

However, as illustrated in Figure 2, the professional branch typically comes to an end earlier than the managerial branch.
Issues in Developing a Dual Track

The key issues in developing a dual career track are:

1. At what level does it makes sense (from an organization design perspective) to establish the first level of managerial role?

2. Based on the nature of work that has to be performed, what is the most senior level of individual contributor role that will be of value to the organization?

Addressing these issues determines how much 'overlap' there will be between the professional and managerial branches - at least to the extent that this is determined by organizational requirements.

Roles for Career Purposes

An alternative approach is to ask how much overlap should there be in order to create the desired range of career opportunities for employees. The question is whether more roles should be created, at more senior professional levels than are actually required to conduct the business of the organization, in order to be able to retain key staff and continue to provide them with career and compensation growth. On a pure economic basis, it may be more effective to provide enhanced compensation than to run the risk of losing critical talent.

However, there are a variety of concerns associated with such an approach:

1. It can cause confusion in terms of roles and responsibilities, ultimately becoming dysfunctional. To the extent that people are given titles and standing in the organization, they (and others) will expect to see accountabilities allocated that are in proportion to their level. Conflicts are likely to occur if, in practice, these accountabilities actually reside elsewhere.

2. The organization might fail to comply with legislated obligations to provide equal pay for work of equal value. To the extent that some people are compensated at a higher level than is warranted given the content of their role, this action will have to be defended both within the organization (to other employees) and to external stakeholders.

3. All salary structures establish a ceiling for the practical compensation of positions. An approach that permits an artificially high ceiling for certain individuals may provided some 'breathing space' - but it is still a ceiling and people will eventually reach the limit.
Business Needs Drive Role Design

Most organizations establish their business strategy and then determine the organization structure and roles that best support that strategy. They choose not to compromise organization effectiveness by creating unnecessary roles, or by designing roles that are not aligned with their business needs. Thus, dual career ladder solutions are generally constrained by the opportunity to provide meaning roles for senior level professional contributors. Typically, this means roles that demonstrate some form of leadership.

Career tracks are often associated with accepting an increasing role in the leadership of an organization. Generally, one aims to move 'up' the organization, perhaps with an occasional lateral movement in order to acquire certain experience and competence that will facilitate advancing to the next rung on the corporate ladder. The traditional expectation (amongst both employers and employees) is that the senior jobs in the organization provide the required leadership to the junior positions, and that this leadership flows through a well-defined chain of command. Each employee has a single ‘boss’; one person to whom they look for all their needs - including establishing clear expectations and performance goals, providing the required training and development, allocating and reviewing work, and determining any salary increases. The defining characteristic of this model is that all aspects of operational (as distinct from strategic) leadership are channeled through a single role. This integrated leadership model (illustrated in Figure 3) has worked well for many organizations. It is still the most common organizational scenario in many sectors of the economy, including the industrial and the public sectors.

Disaggregating Operational Leadership

Operational Leadership is a multi-dimensional concept, and there is no requirement for all aspects to be provided through a single, integrated role. The key concepts of operational leadership are:

- Direction of work - developing work plans, identifying resource requirements (human, financial, physical, etc) and procuring the necessary resources, and executing the plans to achieve organizational objectives.

- Direction and development of human resources - this includes the recruitment, training, performance management and development of the people within the organization.
• Direction of knowledge development and sharing - the creation of expertise, and the dissemination of expertise throughout the organization.

Where it supports their business model, some organizations / industries have been separating their operational leadership roles for many years. In so doing, they have been able to offer alternative career tracks to their employees. The shipbuilding industry is a good example. A shipyard typically constructs a number of different ships simultaneously, and the direction of work is separated from the direction of human resources and skills (as illustrated in Figure 4). There will be a Project Director responsible for each ship being built, and there will be a Manager for each skill set that is required, for example Manager Welding. Each Project Director determines their requirement for welders, and the particular mix of welding skills that they will need. The Manager Welding hires and trains sufficient people to be able to meet the needs of all Project Directors.

This was one of the earliest industries to adopt a matrix type of organization structure, and this model has become increasingly common in industries that tend to operate on a project basis (e.g. high-tech). It creates a dual career track as it offers alternative paths for individual contributors who wish to progress through the organization. A welder with high potential has the option to aspire to be a Project Director or the Manager Welding. However, whatever the welder chooses, eventually she will lay down her tools and focus on a role that is oriented towards management - of one form or another.

Figure 4 illustrates one model for disaggregating leadership roles - separating the management of work (i.e. projects) from the management of people and expertise, which remain together. It is equally possible to isolate either of the other two components. For example, knowledge-based organizations often separate the people management role (to a position often called Resource Director) leaving the management of work and expertise together (see Figure 5). The Resource Director recruits and develops staff, obtains performance information on them, and addresses employee relations concerns. Another Director role is responsible for developing and delivering appropriate solutions for clients - i.e. managing expertise and work.
This solution has been readily accepted in many quarters. It appears to be simple and effective. The most senior individual contributors can aspire to two types of leadership role. In some cases, these leadership roles are peers (same grade), in others the Manager position may be regarded as the more senior. Ultimately, the managerial positions always offer the greatest potential.

**Dual Career Track Dilemma**

Those expressing concern with this approach have questioned whether the creation of the Expertise Leader position diminished the importance / grade of the Manager position. Clearly, something has been removed from the Manager role to create the Expertise Leader, therefore the Manager position cannot be as big a job as it previously was. From a job evaluation perspective, the critical issue is whether it is a ‘fixed sum game’ or not.

If we regard this organizational change as a ‘fixed sum game’, then it is unrealistic to argue that one Grade 12 becomes two Grade 12s. However, it is quite possible that this is not a ‘fixed sum game’, and that other responsibilities have been added to the mix. Quite often the structure above and around the Manager role will also change. Perhaps there used to be 6 Manager roles reporting to a Director and following a re-organization there are 4 Manager roles and 2 Expertise Leaders. The people and work leadership roles may have expanded (in volume) and continue to justify the Grade 12, and the Expertise Leader positions may be engaged in projects relating to the development of the next generation of technology / knowledge application to a greater extent than the previous Integrated Leader roles had been.
When facing the types of retention, career progression and compensation challenges discussed above, organizations can choose from a number of alternative approaches. The appropriate choice will depend on the severity of the issues, the 'business model' of the organization, and the organization's culture.

The key issue that an organization faces is whether it should re-organize the work to support the creation of career opportunities. If it makes sense to continue with the conventional model of a single Manager performing all three leadership roles, then the issues of individual contributors being 'capped' by the existing compensation and classification systems should be addressed as a compensation issues. If, however, an organization will be able to execute its business more effectively by separating the leadership functions and reporting lines, then the dual career approach, with properly evaluated roles, may be an appropriate solution. The challenge then becomes how to define the roles that are required to optimize organizational effectiveness, and what is the relative value of these roles.

A range of possible options for addressing retention, career development and compensation issues is described below.

**Option 0: The Null Hypotheses**

Turnover is an inevitable fact of life in an organization, and some modest level of turnover is generally accepted to be healthy. Furthermore, in any robust compensation strategy there is the concept that salaries cannot continue to rise without limit (ignoring inflation). There are salary ranges and these tend to have some sort of maximum, to ensure that the compensation provided is aligned with the work performed. Therefore, if a small number of employees choose to leave after they reach their effective salary ceiling, this is not necessarily sufficient justification for changing the way that the organization works. The key issue is whether the loss of certain resources is sufficiently detrimental to the corporation to justify changing the organization of work or implementing a special compensation solution.
Option 1: Removing the Salary Cap

Removing the salary cap from the existing compensation structure is conceptually easy but creates managerial problems. In practice, it involves identifying a range of pay above and beyond the current maximum for the highest level of individual contributor role, and developing a set of criteria to control both how individuals gain access to this additional pay range and how they might progress through that range.

Typically, a set of guidelines is established and these are then applied by a committee of senior leaders. The process is focused on particular individuals who are felt to be of great value to the organization, so the guidelines (rather than rules) are applied on a case-by-case basis. A limited number (often a fixed quota) of people are allowed into the range. Once in, they are allowed to progress, at a relatively steady rate, through the range to whatever the maximum has been determined to be. Deciding whom to allow into the range is the most important aspect of this approach. As with all 'exclusive' programs, the danger is that those who are not allowed 'in' become even more at risk of leaving the organization.

Option 2: Providing Non Salary Rewards & Recognition

Some organizations decide that other forms of reward and recognition are more appropriate for their expert contributors. Special salary scales may be uncomfortable due to perceived and real pay equity considerations, but funding participation at an international conference in the subject matter area may be easily justified. In this manner, the organization can identify individuals whom they believe are worthy of 'special' treatment, and provide this in whatever format makes most sense. Typically, there is still a process to gain admission to the 'club' and become eligible for the various benefits.

Option 3: Paying for Skills not Jobs

Equal pay for work of equal value requires that jobs be evaluated and people be paid in accordance with the worth of the work that they perform. An alternative approach is to pay people in proportion to the work that they are capable of doing, regardless of what they actually do. This is referred to as paying for skills. An organization might choose to adopt this approach for a controlled number of expert professionals.
The attraction is that an organization does not have to change the way that work is organized to create special roles, or wait for positions to become vacant. A cadre of experts is created and these people can be called upon (at any time) to contribute to the full extent of their potential (e.g. special projects). However, they will typically be focused on the more complex elements of the organization's normal work. The drawback is that this approach may be seen as inconsistent with prevailing pay equity legislation.

Option 4: Organizational Re-alignment

Where the business model supports this organization design, the full separation of one of the three elements of operation leadership (expertise / people / work) is a viable option. Expertise Directors are often found in organizations with a substantial research mandate or where a focus on the creation and exploitation of intellectual property as the basis of their competitive advantage. Project Directors are found in organizations that undertake major projects, where temporary organizations are formed and dismantled based on the order book of work. Resource Directors are found where establishing and maintain defined talent pools is critical to the organization's success.

Option 5: Deputy Manager Model

For many organizations, re-aligning the organization is a greater step than they are willing to take. The business model supports a relatively functional organizational design, and the desire is, simply, to create a higher level of expert practitioner than exists in the current structure. The argument is that the Manager is too busy to do everything and the easiest way to relieve the burden is to create a 'Deputy' who can focus on dealing with the more complex technical issues.

If this case can be made, then it is justifiable to create an additional role up to one level below the original Manager position without taking anything away from that position. It would not be at the same level as the Manager as this would be a re-design of the organization. At one level below the Manager it creates space to off-load a portion of the work, but retains the full accountability with the Manager. The limitation of this option is that it only creates a small number of positions that can be filled by expert practitioners.
Conclusion

Dual career tracks are not a panacea for addressing all situations where there are concerns about the assessment, development, career pathing, remuneration and retention of expert professionals. It depends on the nature of the business, organizational philosophy, culture, and style of management. For example, a dual career track may be highly successful in a research driven organization where the CEO has roots in research. Conversely, dual career ladders may not be appealing in situations where senior management expects people to develop broad-based skills, and experience, in preparation for senior leadership positions. At the end of the day, organizational planning, and design of structures and rewards programs, must align with business strategy and compliment the current and future direction of the enterprise.
About Hay Group

Hay Group is a global organizational and human resources consulting firm that helps its clients—Boards, CEOs, Executives, and HR Managers—on virtually all aspects of their people-related business issues. Founded in 1943, Hay Group has over 2,300 employees working from 74 offices in 41 countries.

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