

HR Insights

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The Importance of Career Ladders

Providing a transparent framework for employee opportunities can make organizations more appealing to prospective hires and help retain existing employees. Career ladders are one way for employers to provide a clear pathway for career progression, with numerous benefits for both employers and employees. This article explains how organizations can use career ladders and details HR's role in creating them.

What Is a Career Ladder?

A career ladder is an organizational process that outlines an employee's potential job progression. As employees demonstrate their abilities, they're allowed the opportunity to move up the career ladder, with each metaphorical "rung" providing greater responsibilities and opportunities.

Depending on the type of career ladder an organization uses, it may formally list the eligibility criteria for successive positions and salary raises, including requisite skills, knowledge and responsibilities. A career ladder may outline an employee's trajectory from an entry-level job to a high-level position.

How Should Career Ladders Be Utilized?

Lack of growth opportunities is one of the primary reasons workers leave their jobs. A [2022 survey](#) found that 63% of employees would be more likely to stay with their employer if they had better career advancement opportunities. By providing a clear path for professional development, employers may benefit from strengthened employee recruitment, engagement and retention.

Career ladders can be used to help employees understand the requisite skills they need to advance to higher-level positions and the increased job

responsibilities that come with a title change, but heightened responsibilities aren't for everyone. Employers can use career ladders to their advantage when there is a genuine need for a higher level of work and the employee in question is willing and able to perform work at a more advanced level.

Why Are Career Ladders Important?

Career ladders show employees that their work is valued and offers motivation by providing attainable goals at each level of an individual's development. They also foster knowledgeable employees by refining the training programs for each role.

Organizations that implement effective career ladders may experience numerous benefits, such as the following:

- Boosts employee retention and attraction
- Improves employee morale
- Decreases employee turnover
- Lowers hiring costs
- Promotes a culture of growth and advancement
- Encourages mentoring
- Increases efficiency when assigning tasks



- Facilitates the development of employee training systems

The uses and benefits of career ladders vary with an employer's needs and the type of career ladder they choose to implement.

What Are the Types of Career Ladders?

There are three primary types of career ladders for employers to choose from:

- **Predefined**—This career ladder defines a clear set of requirements that an employee must meet to advance to a higher position. Predefined career ladders generally contain two or three levels within a job family. For example, employers may list positions in numerical order, such as “Writer I” “Writer II” and “Writer III.”
- **In-range**— An in-range career ladder can be adopted when an organization lacks established job classifications. Employers who use in-range career ladders review employees case-by-case to determine if they're ready for advancement. Although employees deemed capable of heightened responsibility will be given more advanced duties, their job titles will typically remain the same.
- **Individualized**—Employers may use individualized career ladders to promote employees to positions in separate job classifications. These career ladders are generally used for high-ranking positions, such as managers and directors, and are commonly discussed case by case. Career opportunities aren't identical for every employee in the same job classification.

What Is HR's Role in Creating Career Ladders?

A practical career ladder can simplify career conversations between managers and employees by clearly documenting individual employees' job responsibilities and professional trajectories.

Creating a career ladder for your organization may involve the following tasks:

- Determining the main objectives and primary responsibilities of job families
- Creating a hierarchal structure of positions within a job family and detailing the responsibilities expected of employees in those roles
- Consulting managers and supervisors for advice on the proposed hierarchy of positions
- Creating an evaluation rubric to measure employee performance in different positions
- Surveying employees to better understand their career goals and desires

Conclusion

Organizations can leverage career ladders to retain knowledgeable employees, promote growth and develop vital training resources. While providing growth opportunities is crucial to attracting and retaining employees, employers must have proper evaluation processes to ensure employees have the requisite skills to succeed in advanced positions.

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