HR's Ultimate Guide to Employee Development

How to use job levels, competencies, and growth plans to structure a clear career advancement pathway.

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Introduction

Any organisation that counts itself amongst today's "best places to work" will already be prioritising employees' long-term success and professional growth. Thankfully, others are now catching up. A survey from LinkedIn showed that investment in career development within the corporate sector is at an all-time high. On top of that, more than half of the HR teams surveyed are expecting to put more budget towards it moving into the following year.

When we talk about development in the context of work, we mean the process of improving, honing, or expanding an employee's skill set to achieve a certain aim. More often than not, that aim is a promotion, lateral move, or ownership over a project. It could also be for purposes as simple as becoming a more well-rounded and confident professional. In some companies, there are teams or, at the very least, individuals whose chief responsibility is the facilitation of employee development. In this ebook, we'll explain why companies are making development a priority — and the strategies HR teams can use to drive career growth for their people.

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Why It Matters

Where you find organisations that champion people-first cultures, the notion that employee development matters is expected. However, the investment in growth is not just the right thing to do, it also makes a lot of business sense. Companies that depend on continuous hiring rather than developing talent or promoting from within do so at their own peril. It's actually better, easier and more cost effective to put the effort, time and necessary resources into the talent you already have. Plenty of evidence exists to show that your employees will reciprocate on the investment, with over 90% of employees saying they would remain in their current companies if they invested in their growth. Putting the high cost of turnover into consideration is reason enough to make development a key priority.

However, retention alone shouldn't be your sole reason for focusing on this area. Employees who are partakers in company L&D programmes also perform at a noticeably higher level than those recruited externally. A study found that external recruits tended to score 61% lower on their performance reviews when compared to those who are promoted from within. Many other benefits are there for the taking too, such as relating to your employer brand, succession planning, and employee engagement.

Getting Started

You need a formalised process to prevent development from being ambiguous or seeming like an ad-hoc activity. This will help employees understand what the next steps are for their career trajectory. Luckily, there are now tools that enable professional growth to enjoy the same structure that has been in place for traditional business goal-setting for many years. SMART goals, OKRs, cascading goals, and other resources help your company meet business targets, but development requires a different approach.

Job levels, competencies, and **growth plans** help to provide your employees with the clarity necessary in order to make development goals a reality. We will look at how these three complement each other and how they enable employee growth. Although it is ultimately the responsibility of managers and their reports to make the push for development, HR can help to pave the right path for everyone. Keep reading to discover how to take growth from a 'nice-to-have' to a workplace necessity.

Job Levelling

Job Levelling

'Taking your career to the next level' isn't simply a well-known and much-used idiom. Job levelling, also known as job classification, is a system that HR and People leaders use to define a job role, develop career pathways, and create clear job hierarchies within an organisation. Levelling can be thought of as a way to outline the different phases of an employee's career journey. Where a standardisation of job levels does not exist, promotions can appear to be random, arbitrary, or perpetually out of reach.

How Levels Work

By definition and practice, job levelling helps employees understand how and where they fit into an organisation, and more importantly, what they need to do to get a promotion. If you are familiar with job tracks, consider each "advancement" as a separate level. For example, moving from a junior engineer to a principal engineer might require advancing across five or six different levels.

Let's take an example close to home. Job levelling within an HR team might look like the below. Please keep in mind that this is a simplified version, as companies will often maintain separate tracks for individuals and people managers (more on that to come).

Level 1: HR Assistant

Level 2: HR Generalist

Level 3: HR Manager

Level 4: Senior HR Manager

Level 5: HR Director

Your company's practices when it comes to levelling should reflect its size, culture, and business objectives. In smaller startups, there are often fewer levels with less hierarchy. Employees at companies of this size usually juggle multiple roles and responsibilities and operate in a flat structure, with fewer job classifications and more shared responsibilities across departments. Conversely, at larger companies, levelling can be complex, with many different types of levels and a clearer delineation between roles and responsibilities.

One other thing to consider is how long it takes for employees to progress. Promotions should not be a yearly expectation, but not having enough levels could potentially create a situation in which employees reach their career 'ceiling' too soon. Building in more levels (at least four) can help to avoid this issue and mitigate the loss of top performers, who are ambitious about their next development opportunity.

Building Out Separate Tracks

When you think of the responsibilities for a level 6 role, which is at the most senior end of the scale, managing people probably comes to mind. Though it's tempting to structure your levels based on the traditional track, in which management is always the end goal, companies should provide long-term individual contributors with the opportunity to continue moving upward and in a direction that doesn't necessarily include managing others. In plainer words, managing people shouldn't be the prerequisite for seniority.

In the below visual, we've broken down how both managers and individual contributors can maintain separate tracks within the same organisation. This is also the model used within Lattice's employee development software and the one featured in our client enablement materials.

Level	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Individual Contributor Track	Associate	Developing	Professional	Senior Professional	Expert	Principal
Management Track			Manager	Senior Manager	Director	VP
Notes	These are entry levels and often employees progress through these more quickly. It's uncommon for employees to stay within these levels throughout their careers. Typically, there are no management roles at these levels.		It's common for a successful career-level professional to reach these levels and remain here for the entirety of their career. This is not considered stagnating, as a majority of critical work is accomplished within these levels. People management usually starts at L3.		These are positions that are commonly reached after developing a deep functional and/or professional experience. Moving into and between these levels is often slower, as the roles increase significantly in complexity and seniority. It is common for people managers at these levels to have other managers as direct reports.	

It is increasingly common to see more than one promotion pathway outside of the management one, which leads to creating separate tracks for **generalists** and **specialists**. The former might be for someone interested in a series of sideways career moves, like an employee who starts in operations and then moves into marketing operations. For those sitting between departments, this often means having a dotted-line manager, where an employee reports to an indirect manager, as well as their official supervisor. Specialists, on the other hand, are highly skilled individuals, such as a senior developer, and their career track is more specific and thus tied to a particular function.

Be conscious that the way in which you communicate these various tracks and levels is just as (if not more) important as having them. Make your job tracks accessible to both managers and individual contributors, so it is crystal clear to everyone what their options are and what steps they need to take to progress from one level to the next. Lattice Grow makes this easy by keeping all your level and career track information in one place.

Job Competencies

Job Competencies

What does success look like? Without context, that question isn't easy to answer. That's where job competencies come into play. **Simply put, a competency is a skill or quality that an employee needs to showcase to succeed in a role.** Managers rely on them to share feedback, have conversations around professional growth, and delegate tasks — and interviewers use them to assess job-fit. Job competencies play a major part in the employee lifecycle and are an integral element of employee development.

Writing Job Competencies

To begin with, separate your job competencies into two categories: **company-wide** and **role-specific**. Assign no more than five or six competencies to each track. Allocating too many competencies to a role can make career conversations overwhelming for both employees and managers, potentially making promotions seem unreachable.

As the name suggests, company-wide competencies should be clearly established by company leadership with the guidance of HR. They usually have a broader range, which means that they can be applied to anyone in the organisation, regardless of role. You will find that your company values lend themselves well to defining this type of competencies. Since those values already represent the behaviours you would like to see employees exhibit, a natural overlap occurs. For example, a company value like "customer-focused" might lead you to write a competency around service excellence or client communication. Examples of other company-wide competencies include communication, teamwork, and adaptability.

Meanwhile, role-specific competencies are narrower in scope. They should clearly outline the technical or knowledge skills an employee requires to be successful in a particular position within the chosen industry and company. Given their specificity, it's advisable to draft them in partnership with the people who are most familiar with the nitty-gritty of the job. Examples of role-specific competencies might include project management, analytical thinking, and content strategy.

An important distinction to be made always is that, while competencies are all skills or qualities, they are **not** responsibilities. Competencies come in very handy when assessing job candidates and employees, but they are, in fact, separate from the more detailed job descriptions.

Example Competencies

Looking for some inspiration? We'll give you a hand. Competencies should reflect both your organisation's culture and the specific role in question, but as a starting point you could take on board some of these competencies recommended by Lattice. To help guide you as you navigate your options, we've split them into four themes: **impact, behaviour, management**, and **functional skills**.

Also use them for inspiration when you get to the point of writing more position-specific competencies. For example, you might want to replace "expertise" with "writing proficiency" or "brand and industry knowledge" for a marketing role.

Some Competency Examples

Impact	
Scope and Complexity	How you work, who you work with, what your role in projects is
Autonomy and Prioritisation	Who owns the work and how it is prioritised
Problem Solving	How adept you are in applying strategic thinking to work

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Behaviour

Collaboration and Feedback	Your ability to work with others and how you handle feedback
Communication	Your ability to write, speak and manage complex topics related to your work
Reliability	Your ability to consistently deliver quality work and maintain work standards
Living Values	Your ability to understand, demonstrate and apply company values to your work

Management

Development	How capable you are in developing, growing and motivating your team
Supervision	How you delegate the workload across your team
Responsibility	What work you are accountable for and to what level

Functional Skills

Expertise	The general experience and know-how fundamental to carrying out the role
Tools	The ability to use the required tools necessary in the role
Product Knowledge	The specific knowledge of the product or function necessary in the role

Competencies vs. Goals

Employee competencies are quite distinct from conventional OKRs and goals, which are designed to achieve business results, not individual growth targets. To have a clear differentiation between the two, consider whether the competency in question is time-bound or tied to a specific individual or team. If it's either of those, it probably isn't a competency.

In a nutshell, competencies are long-lasting and relevant to all individuals within a specific role. Goals, however, apply for only a set period of time (like a quarter or a year) and are owned by an individual or team. Here's an example: a "customer-focus" competency that's given the description of "taking responsibility during the holiday busy season" is just too specific to serve as a competency, which needs to be relevant all-year-round. On a side note, it really doesn't work as a goal either, as it doesn't fulfil SMART criteria or explain what "taking responsibility" actually involves.

Competency Matrices

Competency Matrices

Using competencies and job levels in career conversations is a good outset — but when you put them together in a matrix, managers and their reports are able to make the most out of both. The simplest way to visualise this is to list competencies as rows and job levels as columns. The intersecting cells include a description of expectations — what someone in that role needs to do to fulfil each specific competency. This approach makes it easier for every employee to know what they need to do to successfully master a competency and how to become eligible to reach the next job level.

How Competency Matrices Work

If this is your first time working with a competency matrix, consider it this way: competencies and levels make the "what" crystal clear, while putting them together reveals the "how." In the example below we'll look at a simplified, three-level matrix that might apply to a software engineer at a startup.

Though this individual is being held to four separate competencies (ownership, communication, technical ability, and analytical thinking), we'll focus on ownership to make things simple.

Competencies	Software Engineer I	Software Engineer II	Principal Engineer
Ownership	You effectively execute tasks as an individual, maintaining a high level of quality. You set and meet timeline expectations for your work.	You often own project-level goals involving multiple engineers. You break down ambiguous tasks into clear milestones to ensure progress can be measured.	You transcend organisational boundaries and proactively identify the best ways to drive business value. You work in close partnership with senior leadership to influence the overall direction of engineering.
Communication			
Technical Ability			

The above represents just one row of this matrix. Separate rows for communication, technical ability, and analytical thinking would follow, each with their own set of expectations at the various levels. Visualising job tracks this way gives employees a better understanding of what qualities they'd need to exhibit at each stage of their professional evolution at the company.

Using Matrices to Build Growth Plans

While the competency matrix goes a long way to clarify ambiguities, career growth is hardly ever linear. For example, a level 1 employee might be going above and beyond with respect to some of their competencies, but not others. In other words, they are working towards their next promotion, but are only halfway there. While that disparity might seem like it complicates the situation, it's actually very useful when it comes to having conversations around career progression and further development.

For example, let's go back to our engineer being evaluated on ownership, communication, technical ability, and analytical thinking. They might already be operating at level 2 for analytical thinking and communication. For these competencies, they just need to maintain the same high quality in order to be in line for their next promotion. However, to prove themselves for the other competencies: ownership and technical ability, their manager could ask them to take on a new project or complete a third-party training program.

These sorts of milestones aren't goals, they're areas for growth. Managers need to purposefully outline specific areas of improvement to help shape career conversations in a clear and actionable direction.

Considering Company Size

Competency matrices make it easier for employees and their managers to structure growth plans, but adapting them to the scale and scope of each business is important. Implementing them at a 50-person company compared to a 2,000-person company, for example, requires a different set of considerations. At fast-growing companies, individuals might need to demonstrate diverse behaviours and skills that, at larger companies, might be attributed across multiple levels. For example, startup employees often need to be generalists, as they have to cover multiple functions and take on more responsibilities. As companies grow, employees tend to become more specialised — making it necessary to build additional levels and add nuances to the matrix.

Teams, and HR professionals especially, should revisit their matrices once a year to ensure that they continue to be relevant to the employees' actual work. One approach would be to ask managers to review matrices with their reports in a one-to-one meeting, as a way of ensuring that competencies and the descriptions listed against them reflect reality. The use of technology can make this easier. Lattice Grow empowers employees and their managers to pull up matrices on demand, helping facilitate those conversations. It also comes with pre-built matrix templates for both small and large companies, so HR teams can pivot their approach to development as the company scales.

Setting and Monitoring Growth Plans

Setting and Monitoring Growth Plans

Job levels, competencies, and matrices help employees evaluate where they stand and identify growth opportunities. But to help them get there, managers need to empower employees to develop a concrete plan, and then monitor their progress in real time. In addition to leveraging technology to track this progress, teams can ensure growth plans aren't forgotten about in the distraction of day-to-day responsibilities by regularly communicating and scheduling one-to-ones, and making it part of the agenda.

Creating a Growth Plan

Manager's Checklist for Creating a Growth Plan

☐ Get a good understanding of your employee's career goals.

☐ Review the competency matrix with the employee.

☐ Based on current and past performance, assess where the employee is on the matrix.

☐ Use the matrix to identify areas of opportunity and potential development.

☐ Work with the employee to find ways to develop competencies (e.g., extra projects, training).

☐ Ask the employee to set a timeline.

☐ Regularly check in on the growth plan during one-to-ones and adjust as needed.

First, managers need to appreciate that growth plans need to match the employee's career goals. Remember our tip about maintaining both individual contributor and manager tracks? Different employees have different aspirations and work dreams, and the plan isn't going to bring about lasting results without the individual's buy-in.

Next, managers and reports should come together to identify specific areas for growth. As already mentioned, using a competency matrix makes this easier because it can be used to guide the discussion and then to set clear and actionable next steps. Let's take the example of an employee who wants to move from a coordinator-level role to a mid-level manager or director position. For them, the growth plan could include a commitment to lead a major project or enrol on a people management course.

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Need further examples? Let's look at how paying attention to growth areas can make employee development a better-defined activity. In the example below, Sabine, a software engineer, and her manager identified two competencies she needed to prioritise: technical ability and strategic alignment. In response, Sabine identified two ways she'd do just that: "**work on problems of moderate scope**" and "**monitor the success metrics of the next two major releases.**" She'll need to do both to demonstrate that she has accomplished her development goal, and in doing so she puts herself in the best position to be recommended for promotion by demonstrating tangible results.
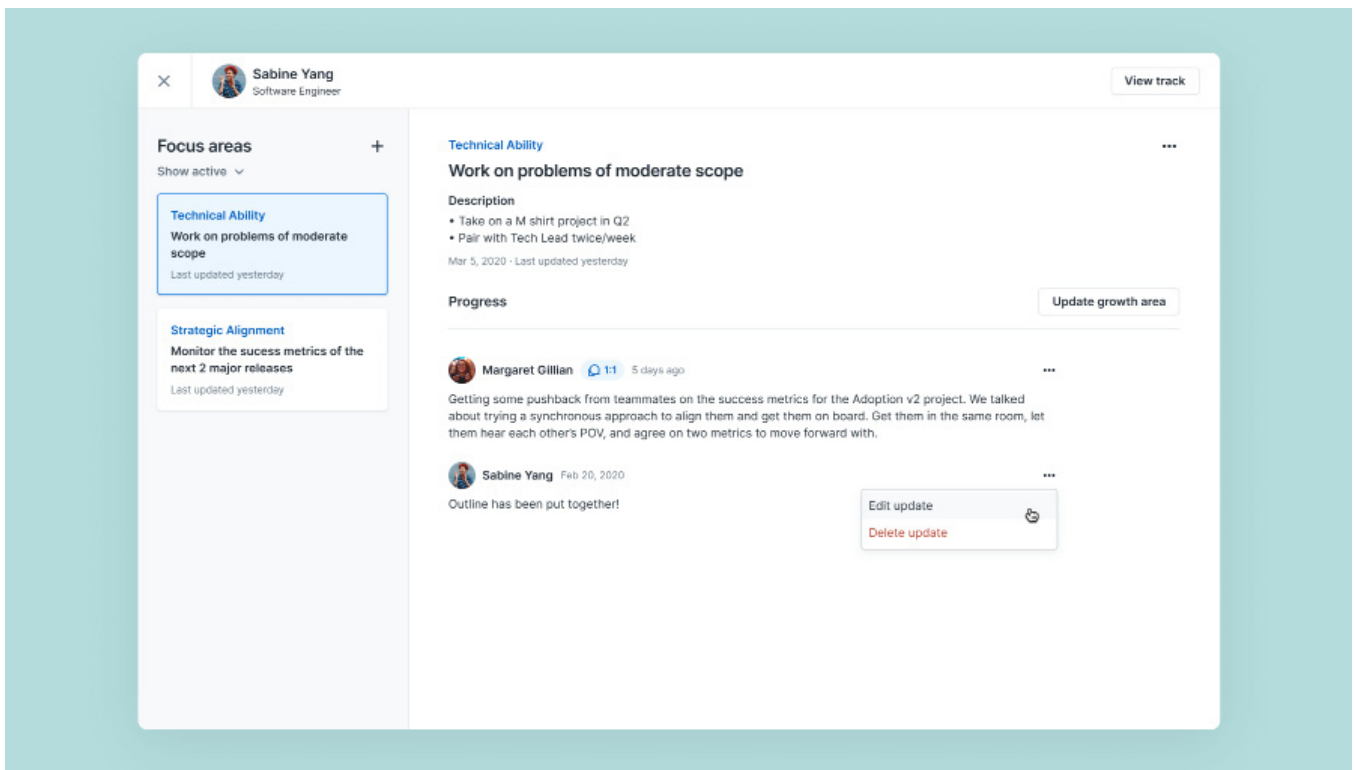
Caption: While this is a screenshot from Lattice Grow, companies can use spreadsheets and other less sophisticated tools to facilitate this process manually.

We'll follow up with Sabine's progress shortly, but notice how her growth areas are specific and paired with a description and a timeline. They aren't scribbled down on random pieces of paper or forgotten in a spreadsheet that only she can access. Sabine's growth areas are readily available for her and her manager (and manager's manager) to reference at a moment's notice, ensuring her development remains top of mind for all parties involved.

Tracking Progress

One of the biggest challenges organisations face when rolling out employee development initiatives is achieving buy-in from both employees and their managers. When they take their time to get on board, there's usually a time commitment issue involved. But monitoring individual growth doesn't necessarily require standalone meetings or separate tools. Teams can utilise many of their current processes and technology to track and analyse growth progress.

Managers and employees should already be meeting regularly. One-to-one meetings are an ideal occasion for these career conversations. But when neither employees nor their managers make a conscious effort to discuss professional growth, it can be overshadowed by tactical updates and other day-to-day items. Therefore, you can encourage managers and reports to literally put "development" on the agenda, as this will benefit both the people and the company in the long run.

Sabine, the software engineer from earlier, uses her weekly one-to-one meeting to check in with her manager on a range of issues. As you can see below, she also decided to update her manager on one of her growth areas in this week's meeting. Sabine wanted to let her manager know that she's running into pushback on the metrics she needs to accomplish one of her growth areas.
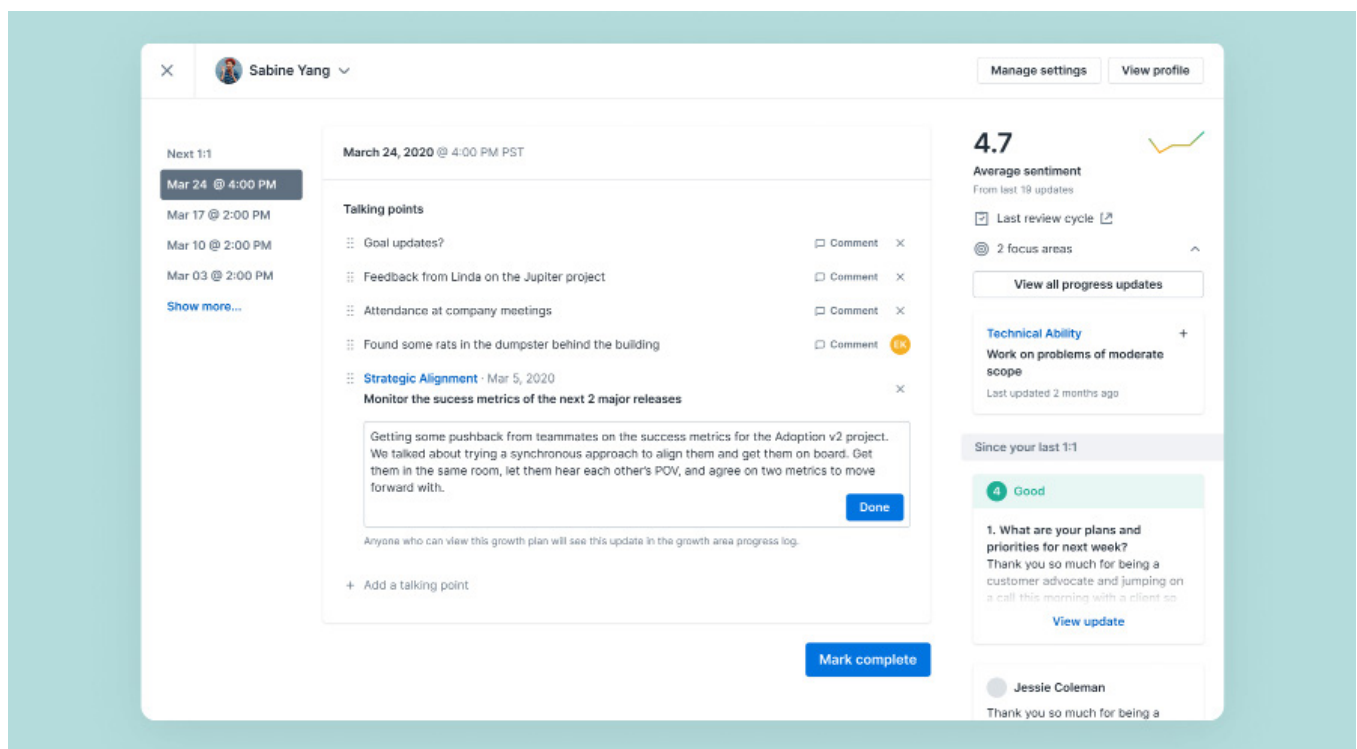
Caption: Lattice automatically pulls growth plans into one-to-ones. As a workaround, Sabine could email an agenda to her manager or set a recurring calendar reminder to check in.

Sharing this information during the one-to-one works on two levels. First, it helps keep Sabine's development as a focus point, by reminding her manager of her growth areas and progress. Secondly, it's a way to highlight obstacles and challenges she's experiencing, which then opens up the conversation to finding solutions. Had Sabine not mentioned the pushback she was getting, her growth plans might have stalled. However, now that her manager is aware of those challenges, she can intervene and get Sabine back on track.

At some companies, career conversations like these occur only once a year, maybe during a performance review. By making them a part of shorter, more frequently held meetings, employee growth can be kept moving forward. Managers can be advised to include development conversations in their one-to-ones on a monthly or quarterly basis so that development becomes a year-round priority.

Conclusion

For both managers and employees, talking about "what's next" doesn't always come naturally. Mainly because career conversations don't happen nearly as often as they should, it's not always easy to touch on certain topics. In situations where managers and their employees aren't comfortable talking about growth or the subject of career progression is just not on their radar, even the most well-intentioned employee development programs will fail.

The main takeaway here? When development is seen as a separate activity from everything else your team does, it tends to be forgotten about or pushed to the side.

Lattice believes that performance, engagement, and development are complementary and they belong together. That's why we've built our people management platform to integrate all three, making career conversations easier and more effective for employees and managers alike. When talking about growth becomes part of your regular one-to-ones and other team norms, next steps are never in doubt and employees always know what milestones they need to reach next.

Over 3,250 organisations use our people management platform to drive performance, engagement, and growth. To see how we can help your organisation, schedule a product tour today.