

## Broadbanding: Results of a National Survey

### Used Most Frequently For Management Jobs

### Reasons for Adopting Broadbanding

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In a survey that we conducted this summer among public sector organizations throughout the country, 32% of the respondents indicated that they were either using or planned to implement a broadband pay structure. Fully half of these respondents indicated that they already have a broadbanded pay plan in place. In this newsletter, we will give you some further details on what these types of plans look like in the organizations that have adopted them.

Broadbanding is in use among management jobs in nearly 45% of the organizations. The next most frequent job group is trades and maintenance, at almost 28%. Usage among the technical/professional and clerical/administrative jobs are at 10% and 14% respectively. The uniformed classes are fewest at 3.4%. If an organization is just starting to adopt broadbanding, it appears to us that the management classes would be the first choice, but we are somewhat puzzled by the smaller showing for the technical/professional, especially when you consider that broadbanding allows employees greater opportunity to take on new responsibilities and receive compensation for the effort. Technical/professional jobs are relatively fluid in design, similar to the management positions, which would readily lend itself to broadbanding concepts.

### The top four reasons for adopting broadbanding in order of importance are:

- \* improve flexibility of job assignments
- \* flattened organization or management structure
- \* a desire to move toward market pay
- \* improve lateral movement within and across departments

In the implementation process, organizations have adopted both broader salary ranges as well as a broader definition of job responsibilities. Even so, they were more frequently driven to use broader ranges.

### Number of Salary Ranges--Before and After

Organizations have substantially reduced the number of salary ranges when adopting broadbanding. Overall, they have reduced the number of ranges by 66%. Here are the average number of salary ranges before and after broadbanding.

Number of Ranges	Before	After
-Management:	38	19
-Tech/Prof.	24	5
-Clerical/admin	22	5
-Trades/Maint.	22	6
-Protective	8	5

These findings are very consistent with the results of the survey conducted by The American Compensation Association among private sector employers. They found that when organizations adopt the broader definition of jobs, that the

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average reduction in the number of ranges is about 70%.

### **Pay Ranges Widths Have Nearly Doubled**

With the reduction in the number of ranges, the salary range widths have expanded considerably. In most cases the range from the lowest to the highest rate of pay has increased by a factor of two. Here are the salary range widths both before and after the adoption of broadbanding:

<b>Width of Ranges</b>	<b>Before</b>	<b>After</b>
-Management:	44%	69%
-Tech/Prof.	30%	61%
-Clerical/admin	28%	64%
-Trades/Maint.	28%	64%
-Protective	36%	70%

In comparison with the survey by the American Compensation Association, about 45 % of the organizations have broadened their ranges to 50% to 100% ranges widths. Obviously, in the private sector, organizations have more flexibility in the range widths than in the public sector, so it is to be expected that the range widths in this survey among public organizations is slightly less. Still, doubling the range width is a significant change.

### **Satisfaction is High**

Organizations that have adopted broadbanding report that it has met their expectations. Among the goals that were originally set out for the program, they reported that broadbanding has met or exceeded their expectations in the areas of improving service quality, improving productivity, increasing employee's understanding of major performance areas and linking pay and performance. Interestingly, these were some of the very reasons that the organizations decided to adopt broadbanding.

In our next newsletter, we will report on other results from our survey. Skill based pay and gainsharing programs will be reported on next.

If you have a question about broadbanding and how it might apply to your organization, give one of us a call. Bruce Lawson can be reached in Phoenix. Jim Fox is in St. Paul.