

The future of work demands a rethink of job architectures

The future of work can be defined as how work itself is changing, who does the work and where is work done. As a result of this seismic change, the traditional job architecture approach will not work and needs to be addressed.

Job architecture is a hierarchical catalogue that indexes jobs within an enterprise based on the types of work performed usually across job families, functions, disciplines, or qualifications. Job leveling is then used to place a compensation value on those jobs internally, whilst also comparing to the external market across compensation, job titles, and other factors.

This process has to-date been central across an organisation for defined career frameworks, opportunity for clear growth pathways, mobility options, and an understanding of total reward potential.

However, the work environment is changing rapidly which means the embedded hierarchy within that structured eco-system can be a blocker to responding to change with agility. This is especially true where skills-competency, rather than tenure and prior seniority, is becoming a more dominant and reliable indicator of success. It is also fast becoming the main driver for recruiting processes and compensation levels.

The need for skills-based roles

Jobs are increasingly being automated by technology, with new business models creating agile approaches to work with a teams-approach being the main vehicle of delivering work. What skills individuals bring to the project is becoming the key metric for recruiters, hiring managers, and project planners, with more remote and flexible “anywhere” approaches to where work is carried out.

This crossroads is a juxtaposition between frameworks and between personalisation within total rewards, and is where the HR industry is at.

Below we take a look at three broad areas that organisations could consider at this time to help tackle the challenge of job architectures head on:

1

Change is constant so having a base to start from is key

Before implementing any changes to the job architecture, an organisation should gather an inventory of what the total reward provision and investment currently is, enterprise wide, so that visibility is created and a complete index established.

This can form a real-time database that supplements the existing tech stack across HRIS, payroll, regional tech, spreadsheets, as well as external benefit vendors and consulting solutions, all of which when consolidated provides real-time cost data for the total reward investment being made.

To easily consume that big data set, dashboards can be configured to monitor the spend in real-time across all defined jobs, business units, grades, through to regions, countries and individual employees using BI tools. That way an understanding of the scale and reasons for the exceptions and outliers to those policies and structures is established.

This approach allows the organisation to be ready for any future business acquisitions too instead of taking a “bolt-on” approach to new frameworks that require integration causing more chaos to the system.

Organisations should then ask and listen to their people. That means requesting employee feedback to understand employee sentiment towards their current reward plans, in order to spot wastage in the spend, and further opportunity in the offering. Align that data against the real cost to the company that the database monitors to provide a better understanding of current ROI.

Unsurprisingly, employees place a high value on total rewards, as well as job titles. Therefore, any proposed changes to the status-quo needs to have employee sentiment underpinning it. The whole organisation including HR and finance will then be in an informed position to consider the appropriate future-state job architecture accordingly.

2

Take an agile approach

Taking this approach allows the organisation to have a hybrid approach between “structure and architecture,” versus “mass personalisation and democratising of reward potential,” especially when considering increased internal mobility becoming a standard as much as an exception. This agile approach to structure versus personalisation ensures the entire worker pool is available to the organisation, i.e., people seeking flexibility, part-time, remote, contracting work, and allows current workers to become more fluid.

Therefore, organisations can take an agile approach to reward personalisation. Within legislative parameters, they can experiment with more choice for employees taking ownership over how they receive their total reward. This could be a once-a-year open enrolment and flexible benefits approach with budgets to spend or salary sacrifice mechanisms, or allowing employees to swap one undervalued reward for another more valued reward at any time, all the way through to complete freedom around how their total reward is received.

This could include experimenting with implementing a skills allowance that reflects a price per skill and is available to anyone who acquires and showcases a competency within hot skills. This means the earning power at more junior levels increases and is democratised, and is not restricted by promotions, tenure and hierarchy.

By adding in peer spot recognition, and other forms of social recognition, reward can increasingly move away from rules, eligibility, limits and hierarchies towards being based on achievements, outcomes and skills.

Together this removes the link with traditional hierarchy. With grades/locations/tenure playing a diluted role in eligibility for reward.

3

Remember to measure equity

While this hybrid between providing clarity and frameworks, alongside increased personalisation sounds like an ideal mix, there are some important reward considerations.

The most important of these is to ensure compensation equity is measured. More choice and personalisation with evolving and agile approaches to ‘jobs’ could lead to inequity if not monitored regularly, beyond the statutory minimum that many countries are now adopting.

Setting up pay equity dashboards across all reward, all territories in real-time is straight forward if organisations underpin this process with that real-time database of complete total reward. Therefore, the equity impact of joiners, movers, leavers is fully understood before and after the transaction has occurred.

Other important factors include getting the right skills matrix in place to ensure the relevancy of the skills in the eco-system, and to ensure they are ‘priced’ appropriately from a compensation perspective. Leading HRIS solutions and other technologies can help with this.

So as organisations ensure their total rewards philosophy is fit for the future, they would be well advised to do so with an agile and open approach, and not necessarily be led by the current job architecture and its inherent frameworks. Allow employee sentiment to help craft what that hybrid approach will look like and experiment with new ways of rewarding.

It will be fascinating to see how this topic evolves over 2022 and beyond with this seismic societal change within the world-of-work forcing organisations to address the old traditional job architecture.

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