

## 5 Reasons to Revisit Your Job Architecture

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*More companies are making changes to their job architecture in response to market forces – from pay equity to rapid growth. We explain how to determine if your structures need a facelift.*

Maintaining effective job architecture is like eating healthy and exercising — if you keep up with it, other aspects of life, such as sleep, improve. But when you're not maintaining healthy habits, other problems can surface. Well-functioning job architecture is not a panacea for perfect HR programs, but it can help tremendously in making other HR programs run smoothly. If your job architecture is designed and implemented to meet the needs of your organization, it can aid in the following:

- Attracting and retaining top talent
- Engaging and growing employees
- Responding quickly to changing business needs
- Communicating to employees what is needed to grow within the organization
- Maintaining better controls around people costs

In order to maintain healthy job architecture, you need to examine your structures periodically. We typically recommend an annual check-up, however, there are several market forces surfacing more often that might necessitate a deeper review of your job architecture now.

## Pay Fairness Calls for Equitable Job Structures

Paying employees consistently and fairly is an urgent priority. While equal pay legislation popping up across the globe is the impetus for some companies to address pay inequities in their organization, many companies also see it as a moral imperative and just good business. Job architecture can help facilitate pay fairness by enabling comparison of pay for comparable jobs and uncovering inequities in pay practices.

## Technology Convergence Means Hiring for New Jobs

Companies spanning all industries are looking to fill new technology jobs more often. Whether it's a retail company looking for a software developer to launch or fine-tune their e-commerce platform or an insurance company wanting to hire cybersecurity talent to protect its new IT infrastructure, many companies are hiring employees with different types of skills than they have traditionally sought. These new jobs need to be slotted into an existing job architecture, but it's not that simple. Non-traditional technology companies often have job architecture systems that differ from core technology firms, and it makes a difference in their ability to attract and retain talent. For example, technology talent often values dual career ladders that allow them to become experts in their field without having to traditionally manage a team. These jobs also don't easily fit into specific job descriptions because of the constant change and adoption of new technology in their role. Companies need to assess their job architecture if they are in the process of hiring, or expect to hire, employees to fill new types of technology-related jobs.

## High Growth Requires Scalable Promotion Ladders

We work with many small and mid-sized companies that are preparing to go public or have recently gone through an IPO. At this stage, most organizations are rapidly increasing headcount and adding new job levels and functions to their structures. As such, these companies need to ensure their architecture is scalable to accommodate workforce growth. Defining the framework for job architecture including the functions, families and levels that are in place today and those that maybe required in the future, provides a roadmap for integrating new jobs quickly into your organization structure and pay system.

## Implementation of a HRIS System

As companies mature, they often put in place a human resources information system (HRIS), such as Workday, to manage and automate HR programs — everything from time sheets and tracking PTO to centralizing benefits information and job titles. As HR information becomes digital and centralized, companies need to ensure their systems are up-to-date (e.g. job titles reflect current practice, etc.).

## Corporate Transaction Involving the Acquisition of New Talent

M&A is on the rise both globally and in the United States. In 2018, M&A deals in the U.S. were valued at \$1.74 trillion from 7,791 deals, nearly tying 2015 for highest levels in a decade, according to Dealogic. Many of these deals represented non-technology industries companies purchasing smaller tech firms for both the talent and underlying technology. Any time a company acquires another business, they must at least assess the existing HR systems of the target company, even if the transaction is considered a “bolt-on” and the entity will operate autonomously. However, if the transaction involves integrating talent into the existing company, then job architectures must be harmonized. Technology firms typically have job architecture systems that are distinct from other industries, characterized by flatter organizational structures, dual career ladders and more streamlined job descriptions. The non-technology organization needs to think about their current and future talent strategy in determining the right structure for their job architecture going forward.

## Next Steps

Updating job architecture is a more urgent priority for many organizations because of several trends we're seeing in the marketplace. Ensuring your systems provide the right amount of flexibility while still maintaining consistency is vital to the continued health of other HR programs that rely on sound architecture, such as pay programs and promotion practices. To learn how we help organizations with their job architecture, or if you have any questions and want to speak with one of our experts, please write to [consulting@radford.com](mailto:consulting@radford.com).

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The Rewards Solutions practice at Aon empowers business leaders to reimagine their approach to rewards in the digital age through a powerful mix of data, analytics and advisory capabilities. Our colleagues support clients across a full spectrum of needs, including compensation benchmarking, workforce and pay modeling, and expert insights on rewards strategy and plan design.

## About Radford

Radford is part of the rewards solutions practice at Aon and specializes in providing compensation data and advice to technology and life sciences companies.

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