

Value unleashed:

The new rules of job architecture

Redesigning job architecture for the modern workforce to power agility with skills and drive pay equity



Job architectures today are no longer fit for purpose.

This is reflected in data: **Mercer's US QuickPulse™ Survey, Job Architecture Edition** found that [fewer than half of organizations](#) say that their job architecture meets the needs of the business and delivers desired outcomes.

This is a huge problem for organizations. Job architectures are critical to making the best use of HR technology, managing workforce costs, ensuring fair and equitable pay, streamlining HR processes, and enhancing employee experiences. Future-fit job architectures do all this and drive business performance. So, why are job architectures today falling short for both organizations and employees?



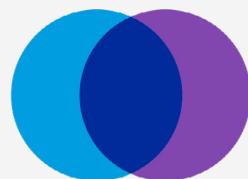
Job architectures fail to adapt to changing business objectives.

Agility is key when business models can be disrupted overnight. The average lifespan of an S&P 500 organization is falling — from 67 years to around 15 — but HR leaders are spending extensive time and energy ensuring alignment and updating their job architecture rather than focusing on how they can shift and adapt talent models.



Job architectures fail to stand up to scrutiny.

In an era of pay equity and transparency, employees, investors, and legislative entities are looking at organizations under the microscope. A robust job architecture is the measure for defining equal work and equal pay — as well as the basis for ensuring that employees understand how they are compared to others with similar skills and responsibilities.



Job architectures fail to provide transparency.

Organizations have long touted their job architectures as career frameworks — but at the vast majority of organizations, all that's communicated is a role or job title, or at most, career levels and job families. As a result, it's no surprise that one in three employees believe their career goals cannot be met at their organization, and only two out of three say their employers provide them with the skills they need to succeed.

Skills are the answer

How can organizations redesign their job architectures to be more agile, represent equal work, and provide clarity on how to progress? The answer is skills.

To thrive in a rapidly changing world, organizations must recognize that skills are the very essence of a job, defining its requirements and pathways to success. Integrating skills into a job architecture is essential towards a sustainable job architecture, and ultimately unlocking value for both the business and employees.

Just as a new system was needed to manage work in the first industrial revolution — breaking jobs into tasks to optimize productivity — so too is a new system needed in the fourth industrial revolution. Today's organizations must break jobs into skills to optimize work, meaning modern job architectures must be built around skills. This foundation allows jobs to flex and morph as business needs change.

For maximum agility, employers need to be able to deploy people to work based on the skills they have and those they need to develop — According to [Mercer's 2024 Global Talent Trends Study](#), **only 42% of employers say they know the skill gaps that exist within critical roles.**

Skills will also give employees greater transparency into the expectations of their current role, as well as available learning, career development, and advancement opportunities. And pay equity legislation, which is all about ensuring equal pay for equal work, defines equal work largely as requiring substantially equal skill, effort, and responsibility.

Integrating skills into the job definition provides the foundation for redefining the work as the business strategy evolves, examining the tasks and skills required to assess whether they can be optimized through other means (i.e., automation), and identifying the new skills required.

This skill-based approach to defining work will further enable strategies for acquiring the right talent, building skill development pathways, illuminating opportunities for career progression, and better identifying equal work for equitable and competitive pay.

An example in action: One job, evolving skills

Consider the job of a customer service agent. Their core responsibilities focus on engaging with customers via phone, chat, or text, responding to customer inquiries, troubleshooting, gathering feedback, and processing transactions for issue resolution. Consider the impact on the job as the business transforms: If the organization's customer service strategy is around volume, the focus is likely on handling customer inquiries quickly, efficiently, and at low cost. But if the strategy evolves to be about customer centricity and building brand loyalty, the skills required are fundamentally different. In the former, it's all about speed. In the latter, there's a much stronger emphasis on interpersonal communication, relationship building, and creative problem solving.



Defining jobs through work and skills



What it answers for employees

My job: Senior Software Development Engineer



Nature of Work

Job Family: IT
Sub-Family: Software Engineering
Specializations: R&D

"How my work is **measured**, **valued** and **compared** across peers within the organization"



Hierarchy of Work

Career Stream: Technical
Career Level: Senior, T3

"Where else can I leverage my functional **skills** and experience?"



Accountabilities

Responsibilities:

- Design and Development
- Cross-Functional Collaboration
- Testing and Validation
- Documentation
- Continuous Improvement

"How can I **progress** my career as I grow my skills within the organization?"



Skills and Proficiencies

R&D Software Development
Intermediate in:

- Innovation
- Troubleshooting
- Agile Methodology
- Machine Learning
- Python

"What are the capabilities I need to be **successful** to perform the work?"

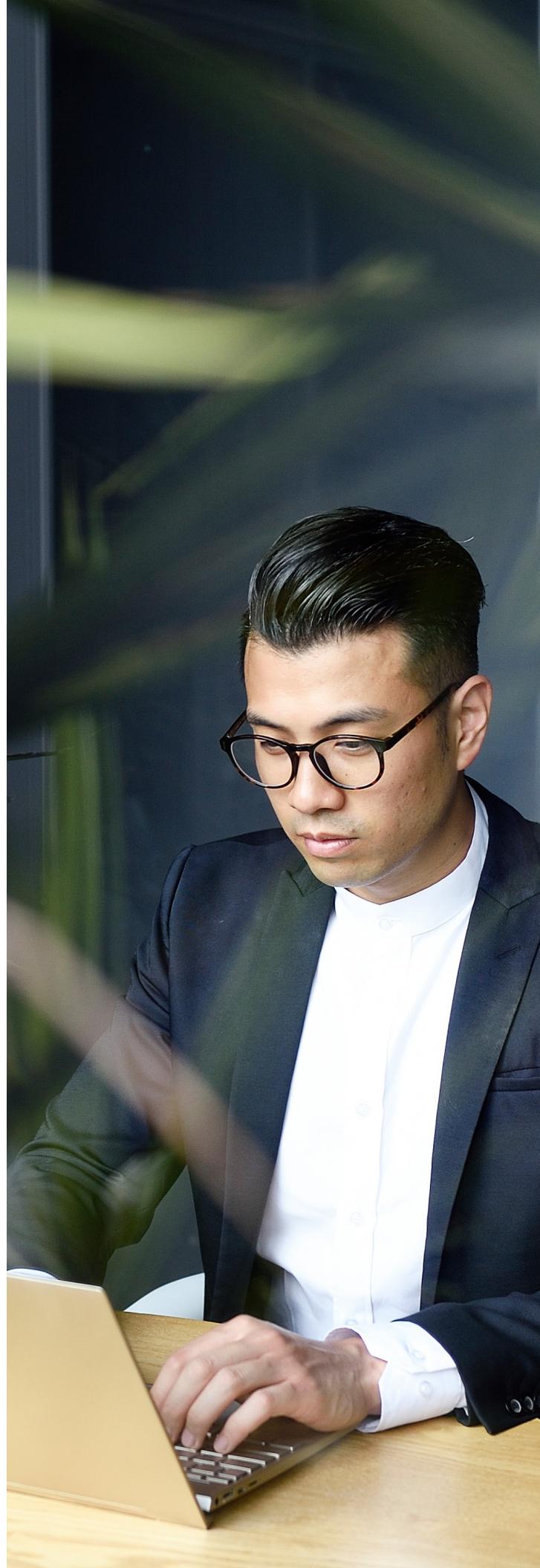
Incorporating skills into your job architecture is simpler than you think

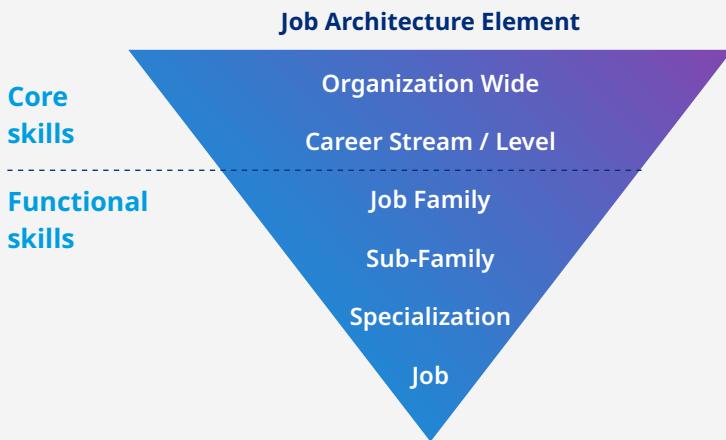
All organizations say they want to be able to pay for skills, but before building a compensation strategy around skills, you need the foundation to understand the skills you have and need. That means redesigning your job architecture with skills at the center.

When you're embarking on a job architecture redesign, adding in skills may initially feel overwhelming. But it's not as complex as many think, and the return on investment can be enormous.

Many organizations have invested in skills technology that promised to transform their business and use AI to align skills to their jobs. While skills technology is incredibly valuable for skills intelligence and the activation of skills across different use cases (e.g., career navigation and talent marketplaces), the problem with AI-driven models is that they align skills to jobs from the bottom, up. They provide massive datasets of skills, but organizations struggle with how to activate them. Further, they rely on job data being accurate. If an organization has broadly-defined jobs that encompass a wide range of skills, the data is not going to be very good. And if job titles are misaligned with typical market terminology, the AI models will struggle to build datasets.

Skills data needs structure and curation, and the job architecture is the vehicle to deliver on that. The key is "flipping the pyramid" to flow skills down to the job, rather than starting with the job and building from the bottom, up. Organizations can then use a balance of this "top down" approach focused on required skills, with a "bottoms up" approach of skills intelligence to monitor and assess the changing nature of work, and ultimately, how jobs will need to evolve.





Skill Type	Example: Senior R&D Software Development Engineer
Behavioral	Career Stream/Level: Technical Level 3 <ul style="list-style-type: none"> Decision Making Innovation Interpersonal Communication
	Job Family: IT <ul style="list-style-type: none"> Troubleshooting Analytical Skills
Technical	Sub-Family: Software Engineering <ul style="list-style-type: none"> Agile Methodology Debugging Software Development Life Cycle
	Specialization: R&D Software Development <ul style="list-style-type: none"> Algorithms C++ Machine Learning R Python

At the top of the pyramid are the organization-wide skills you need to propel your business forward and align with your corporate culture and values. These may be defined organization-wide or differentiated by individual contributors versus leadership.

At the job family level, domain-specific skills are applicable across all types of jobs within that family, such as troubleshooting or innovation in software development.

Further down are technical skills at the sub-family level, and ultimately skill families or specializations: the closest denominator to a job.

When the list of skills that are critical to the success of your business are targeted and curated, that ultimately drives downstream programs like learning and development, talent assessment, and more. Skills intelligence platforms can be activated to help you assess and monitor gaps in your workforce, as well as where skills are evolving that may warrant redesign of work and jobs.

Aligning job and work design to optimize value

In times of transformation, HR leaders often seek to delay job architecture redesign until the organizational structure is fully defined. However, to maximize impact, speed, and agility, collaboration with the function to redesign both work and jobs concurrently is essential.

Work redesign provides a structured approach to enhance efficiency and effectiveness through three key steps:

- 1 Deconstruct**
Break down existing jobs into their fundamental tasks and required skills.
- 2 Redeploy**
Strategically allocate tasks based on skills required to optimize work (rather than outcomes) to optimize outcomes across functions, teams, and technology.
- 3 Reconstruct**
Redesign the work to create new jobs and workflows that align with organizational goals.

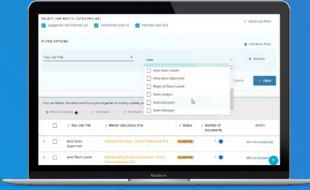
By integrating job and work design, organizations can foster a more adaptive and responsive workforce, ultimately driving greater value.

Unlocking speed and agility through Mercer's suite of data, tools and digital expertise

In today's fast-paced world, staying ahead means adapting quickly and embracing technology for success. At Mercer, we're here to help you navigate those changes with ease. Our suite of data and tools is built on Mercer's comprehensive Job Library, which features over 26,000 positions across 30 job families, more than 200 sub-families, and nearly 3,000 specializations. This robust library is informed by insights from over 50,000 organizations across 19 industries, ensuring relevance and accuracy.

Complementing our Job Library is our Skills Library and standardized job evaluations through Mercer's International Position Evaluation, providing a holistic view of workforce needs. We help you maximize your investment to go further, faster by delivering strategic insights, streamlined processes, and integrated data that empower you to tackle challenges with confidence. Further, Mercer's digital expertise in both HCM systems and talent systems such as Talent Intelligence, ATS, LMS and more ensures that your job architecture design can be activated and implemented through your people systems.





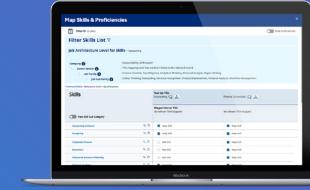
Mercer Match

AI-powered suite of consulting tools to utilize advanced AI models to build, define and map jobs to Mercer's job taxonomy or custom client job architectures.



Job Architecture Tool

Provides smooth workflows for mapping and validating jobs and employees, along with customized analytics to review results and track progress.



Skills Map

Brings the Skills Library to life through AI-driven mapping of skills and proficiencies to jobs and architectures, featuring streamlined validation and approval workflows.



Work Design

Simplifies work redesign by breaking down jobs into tasks and skills, optimizing the combination of talent and technology, and enabling the effective redeployment of jobs and skills.

Digital expertise to integrate market-leading designs into your technology to maximize the impact of your technology investments and deliver a more compelling employee experience.



How are organizations unlocking value with job architectures?

The U.S. Mercer QuickPulse™ Survey: Job Architecture Edition found that organizations whose job architectures fully met their business needs reaped a return on their investment — on average, these companies provided an additional 5% return per year to shareholders. We found that these organizations did three things differently with their job architecture and skills:

1. Deployed a universal architecture across the organization
2. Embraced data governance to ensure sustainability of their architecture, and
3. Activated their job architectures with leaders and employees



Deploy a universal architecture

Organizations with job architectures that outperformed were [4x less likely to vary the design of their architecture by business unit](#). Inconsistencies across business units create friction for career mobility — but an organization-wide infrastructure for both job architecture and skills unlocks mobility and meets diverse needs across all talent programs.

However, the architecture can have unique elements for different business segments when warranted. For example, you may have more individual contributor job levels for technical functions like engineering, and different career streams for unique business segments such as consulting. But the overall framework should be consistent.

A universal infrastructure is even more critical with skills. Skills are the golden thread that connect all talent programs across the organization. If you have competing skills structures, you won't be able to flow the right skills through the end-to-end talent process. As a result, there's likely to be a disconnect between talent acquisition on the skills needed for hiring, and talent management on the skills to be developed. This creates a disjointed employee experience, preventing you from empowering employees with visibility across the full ecosystem.

Skills are the golden thread to activate the employee experience

How my job is designed

Optimizes the work by maximize the use of talent vs. tech (AI)

How I know how I'm doing

Enables high performance through clarity on expected skills and understanding of gaps

How I'm rewarded

Rewards the **attainment of skills** and enables **targeted investments** towards critical skills



2



Embrace data governance

Successful organizations were also [4x more likely to have a governance model](#). Having skills at the center of the job architecture can help provide intelligence on when jobs may need to change. Governance is essential to ensure jobs and skills remain relevant in the midst of change:

- A process for when jobs are added,
- Definitions that aren't too broad or too narrow,
- A process for hiring for jobs/skills first rather than compensation ranges,
- A process for embedding the architecture into your talent processes,
- Central monitoring and clear ownership of data within HR
- Business owners who are accountable for functional application and validation, and
- Feedback loops.

You must also have the right operational structure to ensure jobs are categorized fairly and equitably — without bias. Failure to have a robust infrastructure and oversight will not only lead to significant, time-intensive rework to your architecture, but it can also lead to increased compliance risks and missed opportunities.

► **Organizations' top two challenges with job architecture were maintaining current and comprehensive job content (67%) and HR and managers selecting roles based on desired outcomes (61%).**

These two challenges are interconnected; often, when organizations build their job architectures, they provide limited documentation around the jobs and skills. Inevitably, the architecture will be misused, even if unintentionally, because there is very little information to ensure selection of the right job.

This problem alone creates significant pay equity and compliance risks for organizations. If employees are placed into jobs with significant manager discretion and limited oversight, and that job determines how they are paid, bias creeps into the process. The EU has recognized this, and part of the EU Directive on pay transparency will require organizations to use a formal, rigorous, and transparent job evaluation process to determine how jobs are paid. This requires robust job documentation to ensure skill, effort, and responsibility are considered when making pay decisions.

Without a comprehensive job architecture with good governance, it's very difficult for organizations to assess, explain, and defend pay gaps. For those that do run pay equity analyses on a regular basis ([44% of organizations](#) run annually, or more frequent), ineffective job architectures will likely lead to higher remediation budgets, while more robust systems would justify pay differences. Further, if employees are improperly aligned to the job architecture, organizations are exposed to a significantly higher risk of non-compliance.

3



Activation for Impact

Finally, successful organizations activated their job architectures. Job architectures that sit behind the scenes in a system — the case in many organizations today — do little more than provide a data architecture. Organizations get value when they bring their job architectures to life both for the business and employees.

Organizations that activate their job architectures were [4x more likely to enable career mobility with skills](#), equipping employees with the information they need to navigate their careers, develop their skillsets, and grow within the organization.

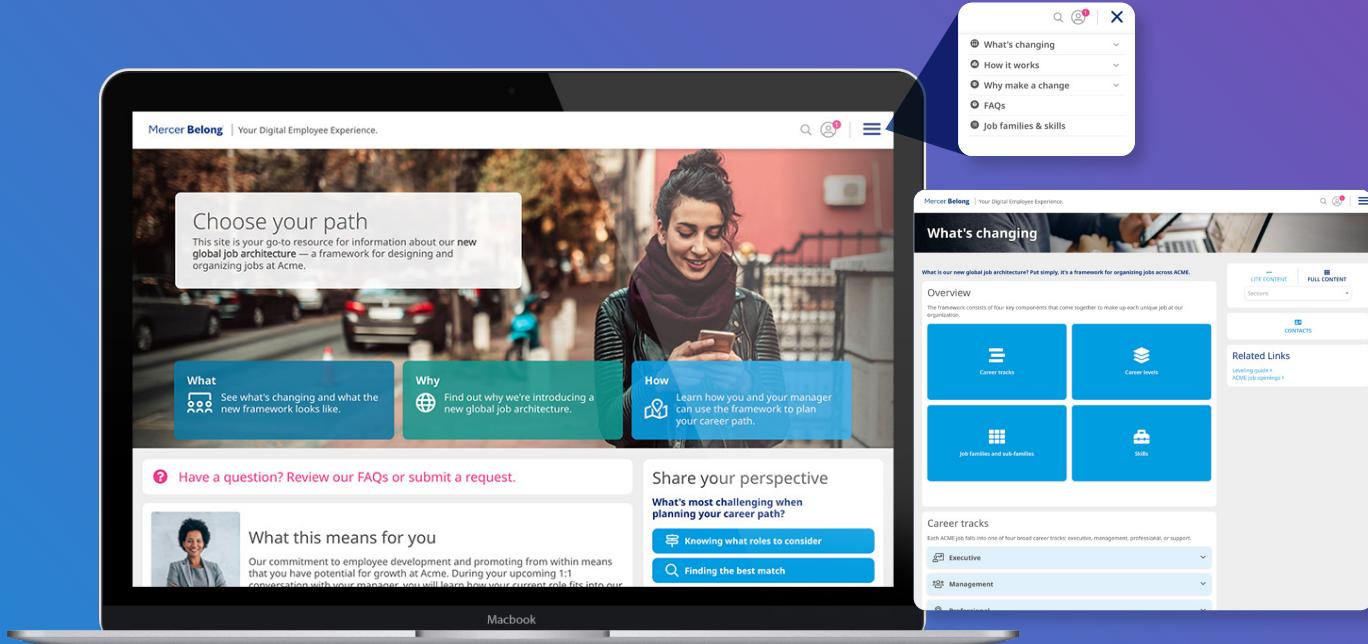
Many leading talent intelligence platforms take this even further, giving employees suggested career paths and skill needs that align to the transformation of the organization, helping ensure their skills remain relevant for the long term.

For proper activation, it's crucial to understand the needs of HR and the business and design the job architecture accordingly. Before the redesign, engage with the executive, business, and talent teams to ensure the framework is fit for their purposes and will help them drive desired outcomes — and involve them in the identification of critical skills. If functions outside of HR are not aligned, and the strategy doesn't resonate with the business, the architecture will not be widely used and fail to deliver ROI.

Be sure to communicate the value of skills in the job architecture redesign. Job architecture design can be painful work and often takes years to complete — and job architectures without skills will date quickly. If you get buy-in now to put skills at the heart of the job architecture design, you won't have to add them in later — and you'll have more complete insights to monitor the need for change.

Once the design is done, there are many steps in communicating the changes across the organization before rolling it out to employees. Leadership needs to be comfortable championing the advantages of the job architecture and they need to hold the organization and each other accountable for taking a new approach to how the workforce is managed. Similarly, they need to be equipped to facilitate tough discussions, when necessary, as an updated job architecture may also mean changes in culture and how employees perceive their roles.

Keep transparency at the center of manager training and employee communications to maintain trust and ease acceptance of changes. Digital communications can be used throughout the process as a resource for employees to understand where they fit in the organization, how they can grow, and where they can consider moving within the organization. Because it's foundational to how you determine pay and evaluate pay equity, the job architecture needs to be visible — and useful — to employees.



Mercer Belong for Job Architecture

Introducing Belong for Job Architecture, your ultimate destination for all things related to job architecture news, education and engagement. From the initial project kick-off to the exciting “Day 1” and beyond, this intuitive and interactive communication platform services as your central communication hub.

Key Features:



Supports stakeholder alignment and engagement throughout the design process for socializing the project, purpose and vision



Communicates the value of the job architecture with tailored messaging for key audiences across HR, leaders, managers and employees



Drives organization-wide enablement and engagement via a one-stop-shop for exploration, resources, trainings, and more.



Getting started: modernizing your job architecture

The problems you're trying to solve will lead you to the kind of job architecture you need. For example, if you're trying to reduce churn-and-burn, improve retention, and pivot talent from one area to another, dig into the data about your employees' primary concerns around their current and future career.

Employee listening is key to understanding the work employees do and the culture in which they work, figuring out the problem you're solving, and building the case for change. Gain trust by first listening to employees, and then building a job architecture and skills ecosystem that they can understand and relate to. If you can show employees you understand and value their skills and link skills to their career prospects, that will go a long way toward improving engagement and retention.

And you don't have to tackle skills across the organization all at once. If your major pain point is in one area of the business, start with skills there and put infrastructure in place that can scale down the line. If you are focused on pay equity and transparency only for now, ensure that, at a minimum, your job architecture is clearly structured around jobs that require similar skills.

As your job architecture modernization becomes more mature and you can bring the jobs and skills infrastructure full circle within the organization, you'll unlock the full ROI of this work.

Mercer's work and skills expertise

Whether you are transforming towards a skills-powered organization, building a job architecture, or just looking for help in one area, Mercer has an expert who can help.



Job and Skill Design

- **Job Architecture Design:** Creating a strategic framework for organizing jobs, aligned with market and industry practices.
- **Job Evaluation:** Evaluating jobs utilizing Mercer's International Position Evaluation methodology, providing rigorous and equitable foundations for job classifications.
- **Job Profile Development:** Crafting clear and comprehensive job profiles that accurately reflect roles and responsibilities and skills.
- **Skills Framework Design:** Establishing a structured approach to defining and categorizing skills that align with organizational needs, driving workforce and talent practices.



Work and Skill Design

- **Work Design:** Redesigning work processes to optimize productivity and enhance employee engagement, including deconstructing and reconstructing workflows.
- **Strategic Workforce Planning:** Analyzing workforce needs through a skills lens to align talent supply with business strategy and future demands, ensuring effective headcount and staffing.
- **Skills-Powered Work Deployment:** Deploying talent based on skills through a talent marketplace, establishing strategies to enhance the speed of talent development and management.



Talent and Reward Program Design

- **Compensation Program Design:** Developing competitive compensation programs, structures and processes.
- **Pay Equity Analytics and Consulting:** Analytics, tools and strategies to resolve pay inequities, reduce risk, increase diversity and drive organizational success.
- **Skills-Powered People Programs:** Redesigning talent processes around skills, from talent acquisition, development, performance management and career mobility.



Employee Experience

- **Digital Enablement and Implementation:** Leveraging technology to deliver a frictionless experience, drive business adoption for impact, and empower employees with insights.
- **Employee Research:** Understand employee needs, preferences and experiences to uncover root causes of poor work experience and target strategies to address.
- **Strategic Change and Communication:** Supporting organizations through change initiatives with effective change and implementation plans, digital communication platforms, and more.

Contact us today.