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The Spotlight

Spotlight, our regular Q&A with clients and colleagues, highlights leading viewpoints on trending topics in the world of human resources.







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How A Strong Job Architecture Leads to Fairer Pay

Maintaining an effective job architecture is a key element to running a healthy business. In a way, it serves as the bones for all HR programs and processes to run smoothly — from attracting and retaining talent to maintaining better controls around people costs and responding quickly to changing business needs and requirements. This is especially true with the current legislative and investor push for increased transparency, on compensation disclosure beyond the executive level.

To explore this further, we spoke with Aria Glasgow, partner in Aon's Human Capital Solutions practice, and Ashton Holt, associate partner, who are both experts on the topic. Our conversation ranged from the basics of job architecture to the ways in which it can help support a company's pay equity analysis and overall disclosure reporting efforts.

I would define job architecture as the organization and basic construct for aligning jobs within your firm. This sounds straightforward on the surface — but job architecture is an intricate process with many facets, including job leveling, titling, grades and career progression. It also provides the foundation for salary structures and other equitable compensation programs based on job value. – *Aria Glasgow*

Why is job architecture so important, especially with added accountability, transparency pressures and a constantly evolving market?

Having a robust job architecture is one way to help ensure your business has an effective human capital management program. When communicated correctly, job architecture can provide your employees with a more transparent career path. Job architecture also helps effectively measure pay equity and understand any pay gaps that may exist. This is a critical inflection point in the diversity, equity and inclusion evolution — a priority for all businesses, as pressures on ESG disclosures continue. Institutional investors and regulators are increasingly requiring companies to disclose human capital programs beyond the executive level. They now care more than ever before about ensuring there is equity across the organization, and job architecture is a good place to start.

- Aria Glasgow

Which should come first — pay equity analysis or job architecture?

It depends. For companies expected to soon undergo seismic changes to their compensation system like a classification study, job architecture or job re-leveling, the pay equity assessment should come after completing such work. Doing so will help firms avoid exorbitant or improper remediation costs. In other instances, organizations may not be aware of existing issues stemming from their job architecture.

Regardless, a pay equity analysis is an efficient way to uncover, substantiate and support the compelling business case needed to garner the approval of executive leadership and push forward positive change. It is important to remember that your organization is responsible for all existing pay disparities, even if they are unknown. Your compensation practice can be challenged by plaintiff attorneys and government regulators at any point. Therefore, being proactive and getting out in front of the issue is paramount. – Ashton Holt

Is there an optimal time to begin a job architecture project?

It's never too early. The sooner you start, the fewer inconsistencies you will have to unwind later. And this goes for all organizations — whether global or domestic, large or small. Ensuring you have a formal job architecture and systematic job leveling approach in place provides the necessary framework for creating effective talent and rewards programs in a constantly evolving business landscape. Our advisory practice works with large, multi-national clients, as well as small startups with less than 50 people. These smaller organizations need to quickly scale and have consistent titles with competitive salary rates to attract talent. By establishing a job architecture early on, companies can openly communicate their clear career paths and establish consistent base salaries and incentive targets tied to level. This helps with attraction and retention, as well as pay equity assessment. - Aria Glasgow

For more information on job architecture and its many benefits, please write to humancapital@aon.com.



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About Human Capital Solutions

Aon's human capital business provides leaders with a powerful mix of data, analytics and advice to help them make better workforce decisions. Our team, spanning 2,000 colleagues in more than 30 countries, includes the firm's rewards, talent assessment and performance & analytics practices. To learn more, visit humancapital.aon.com.

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