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April 2023

# 2023 Global Job Architecture Practices Survey

*Overview of Findings*

MAKING AN IMPACT THAT MATTERS since 1845

# TODAY'S SPEAKERS



## Sheila C. Sever, CCP

**Deloitte Consulting Senior Manager,**
**Rewards & Well-Being**

Sheila is a Senior Manager in Deloitte's Human Capital practice with more than 20 years of consulting and corporate experience working with a wide range of clients in financial services, energy, healthcare, technology, pharmaceuticals, manufacturing, consumer products, and nonprofits. She advises clients on all aspects of executive, broad-based employee and sales force compensation including:

- Advising organizations on the development of their total compensation philosophy or reward strategy to support the achievement of stated organization objectives
- Designing and implementing reward programs, policies and processes that align with the total compensation philosophy or reward strategy
- Assessing market compensation levels versus target competitive position for all components of pay, including the design and management of customized compensation surveys and studies
- Evaluating, designing, implementing, and administering annual and long-term incentive programs, including various types of equity-based compensation for private and public companies
- Assisting organizations with audits of current compensation programs, policies and practices to ensure compliance with applicable labor laws and regulations, including the Fair Labor Standards Act (FLSA)



## Cainaan Lacy

**Deloitte Consulting Senior Consultant,**
**Rewards & Well-Being**

Cainaan is a Compensation & Rewards Senior Consultant within Deloitte's Human Capital and Workforce Transformation practice. He has over 8 years of experience in a variety of compensation roles including job architecture, incentive plan design, benchmarking, executive benchmarking, salary structures, and compensation strategy.

Throughout his consulting career, Cainaan has worked with a variety of industries with a primary focus on Financial Services, Energy, and Technology. Cainaan spent much of his career as a Consultant servicing clients' reward programs through compensation data and analytics. He is a seasoned professional in Human Resources and has helped deliver compensation insight to his clients.

- Cainaan has helped design and implement new Job Architecture Frameworks for multiple Fortune 1000 companies.
- Partnering with the clients' Human Resources team, Cainaan helped design and implement industry leading job frameworks to help with role clarity, market pricing, employee mobility, and increase administrative efficiency.
- Through compensation assessment and design work, Cainaan has advised clients on their current compensation philosophy, strategy, and pay practices, and provided guidance on job leveling and employee mapping.

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# INTRODUCTION

This year, Deloitte Consulting and Empsight partnered to publish the third edition of the Global Job Architecture Practices Survey, which garnered over twice as many participants as the previous edition in 2020.



**This year's study has been focused on…**

- Job Architecture Strategy and Design Approach
- Job Leveling Practices
- Job Titling Nomenclature
- Job Evaluation Practices
- Job Description Practices
- Alignment of Skills to Job Architecture

Deloitte Consulting is seeing this topic evolve as **external pressures, technology enablers and the changing needs of business** influence job architecture frameworks and practices.

We are also finding that many organizations are using job architecture and its benefits as a **differentiator in the attraction and retention of employees in the competitive labor market**.

This presentation provides an overview of select, initial results of Deloitte's 2023 Global Job Architecture Practices Survey; the research was conducted in February/March 2023 and is a "participant only" survey. Therefore, we cannot share full findings.

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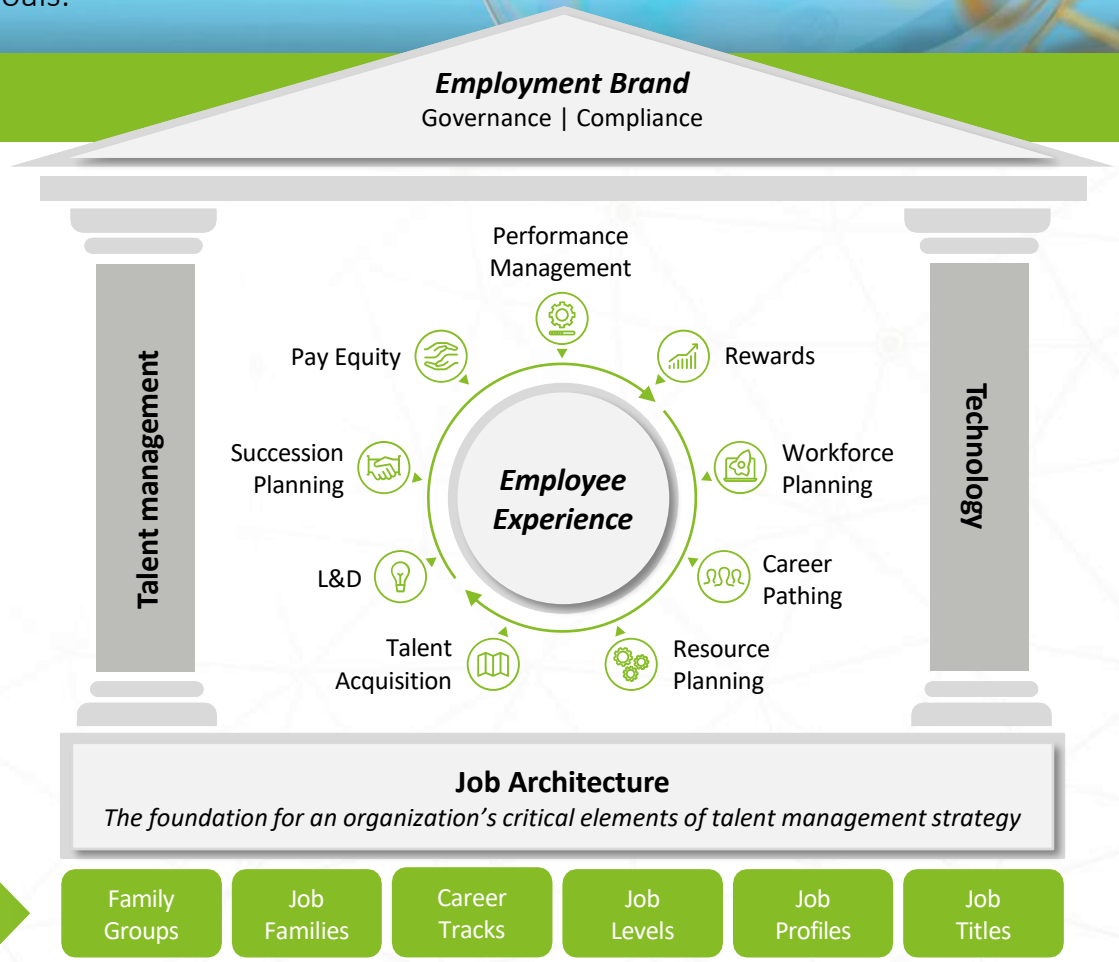
COMPONENTS OF JOB ARCHITECTURE:

# FOUNDATION OF THE EMPLOYEE EXPERIENCE

The foundation of an organization's talent management and human capital strategy revolves around their Job Architecture (categorizing similar jobs into functions, families, and levels) and supports the ability to execute Human Capital processes that are externally competitive and internally equitable. When governed correctly, these components are agile, sustainable, and supportive of year-over-year business goals.

## **The Big Picture:** Job Architecture Enhances HR Capabilities

1. Defines the infrastructure and **interrelationships of jobs**
2. Creates a **consistent and standardized library of jobs**
3. Creates the foundation to incorporate **specialized knowledge, skills, and abilities** into future state job descriptions
4. Informs **career paths** and **succession planning**




Key components of a job architecture foundation

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SECTION 1

# Participant profile and organization information

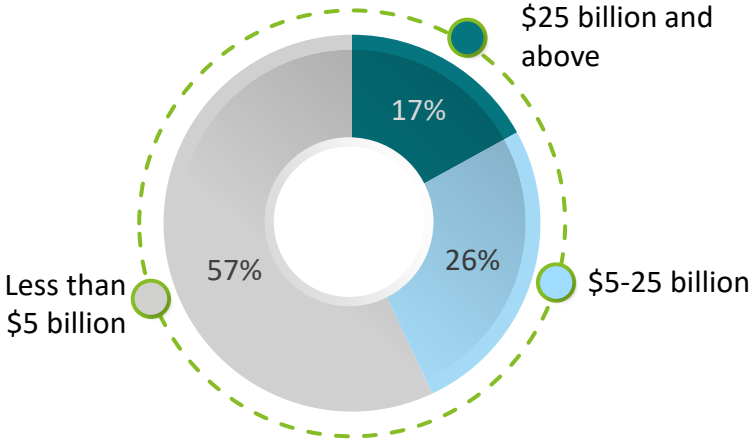


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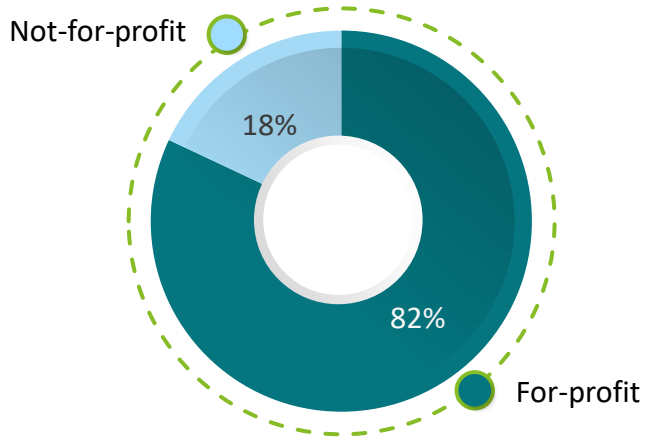
# PARTICIPANT PROFILE

308 organizations representing a variety of industries and a balanced revenue mix completed the Deloitte's 2023 Global Job Architecture Practices Survey.

**Indicate your organization's most recent fiscal year end (FYE) revenue in US Dollars (n=284)**



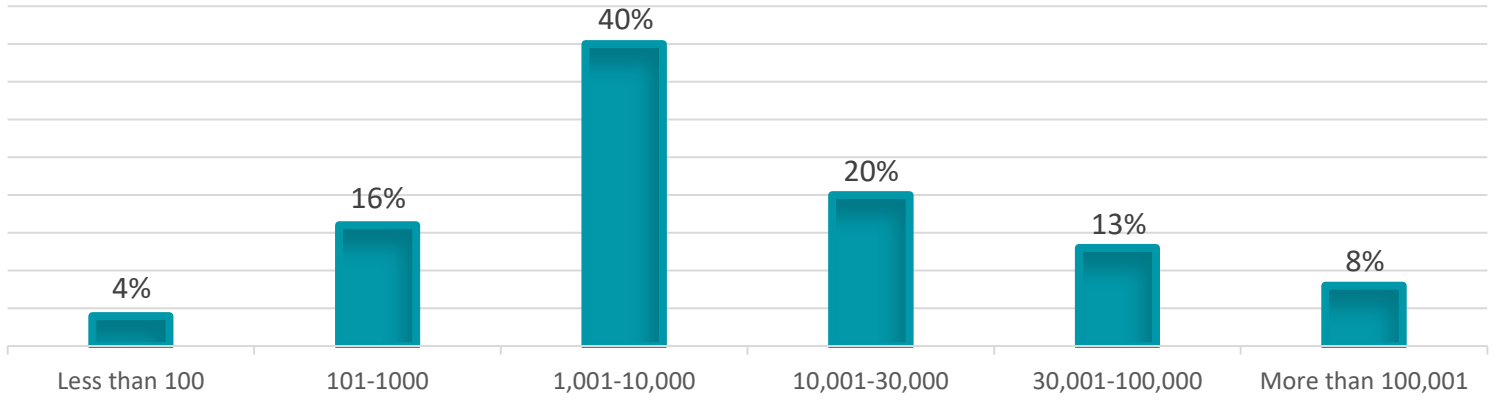

**Is your organization structured as a for-profit or not-for-profit entity? (n=308)**



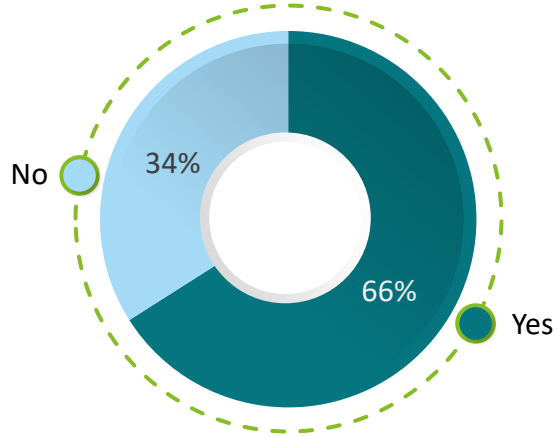

**Indicate your organization's primary industry classification? (n=308)**

| | |
|---|---|
| Consumer | 21% |
| Energy, Resources & Industrials | 17% |
| Financial Services | 18% |
| Government & Public Services | 1% |
| Higher Education | 4% |
| Life Sciences & Health Care | 15% |
| Professional/Business Services | 5% |
| Technology, Media & Telecom | 18% |
| Transportation | 2% |

**Please indicate the number of regular employees (excluding contractors/contingent workers. (n=302)**




**Do you utilize a contingent workforce? (n=308)**



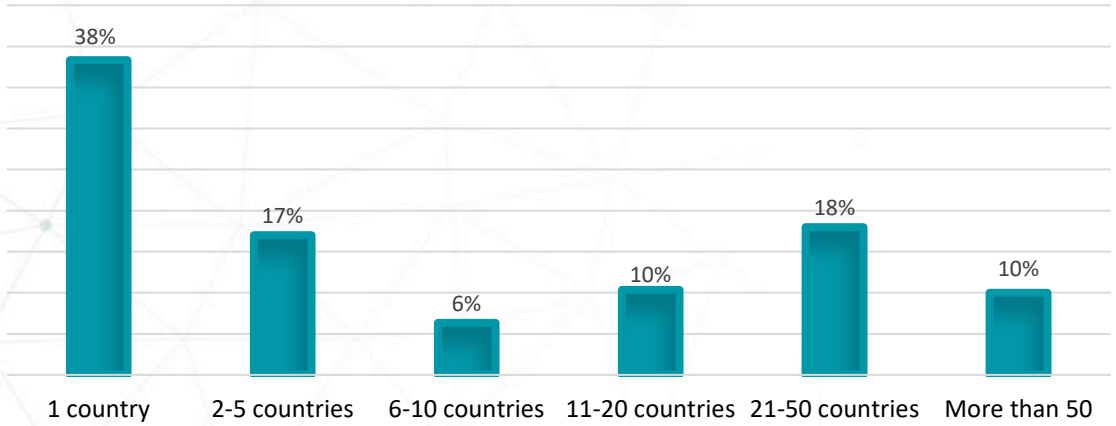

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PARTICIPANT PROFILE:

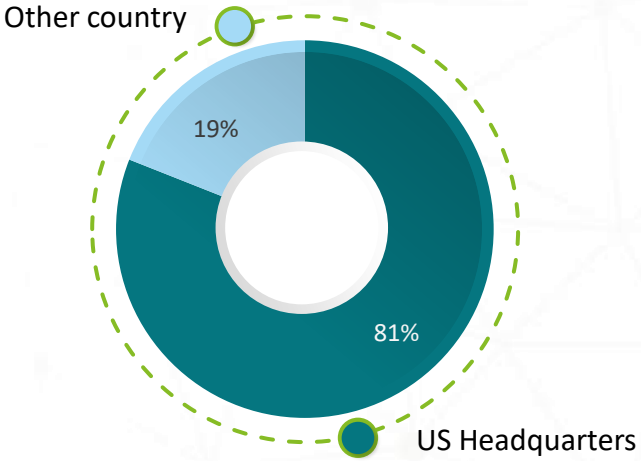
# EMPLOYEE AND GEOGRAPHIC INFORMATION

The majority of participating organizations are mid-sized to larger employers, with U.S. headquarters.

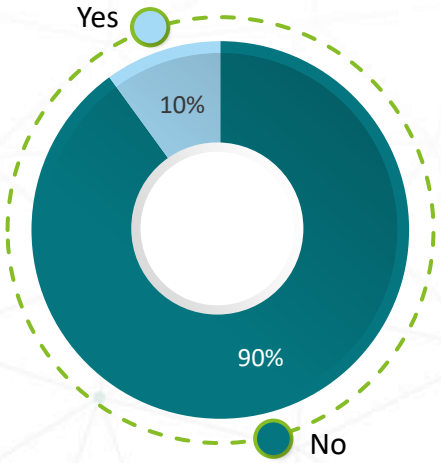
## Number of Countries Organizations Operates In (n=302)




## Headquarters Location (n=308)




## Is your organization a subsidiary of a foreign parent organization? (n=308)




## If Yes, in what country is the parent organization headquartered? (n=31)

| Country | % |
|---|---|
| United States | 32% |
| Japan | 19% |
| France | 10% |
| Germany | 7% |
| Switzerland | 7% |
| Australia | 3% |

| Country | % |
|---|---|
| Belgium | 3% |
| Canada | 3% |
| Israel | 3% |
| Italy | 3% |
| Netherlands | 3% |
| South Africa | 3% |
| United Kingdom | 3% |

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# JOB TITLES BY INDUSTRY AND REVENUE

Participants were asked the approximate number of distinct job titles in their organization.



**Overall ratio of job titles to employees:**

*E.g., A ratio of 1:5 suggests for every 5 employees, there is 1 distinct job title.*

| | |
|---|---|
| 25th percentile | 1:3 |
| Median | 1:5 |
| 75th percentile | 1:17 |

**Ratio of job titles to employees by industry:**

| | |
|---|---|
| Consumer | 1:37 |
| Energy, Resources & Industrials | 1:11 |
| Financial Services | 1:13 |
| Government & Public Services | 1:2 |
| Higher Education | 1:4 |
| Life Sciences & Health Care | 1:17 |
| Professional/Business Services | 1:7 |
| Technology, Media & Telecom | 1:17 |
| Transportation | 1:20 |

**Ratio of job titles to employees by revenue:**

| | |
|---|---|
| Less than $100 million | 1:3 |
| $100 – 499.9 million | 1:4 |
| $500 – 999.9 million | 1:6 |
| $1.0 – 2.49 billion | 1:10 |
| $2.5 – 4.9 billion | 1:12 |
| $5.0 – 7.9 billion | 1:10 |
| $8.0 – 9.9 billion | 1:8 |
| $10.0 – 14.9 billion | 1:32 |
| $15.0 – 19.9 billion | 1:21 |
| $20.0 – 24.9 billion | 1:24 |
| $25.0 billion and above | 1:59 |

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SECTION 2

# Job architecture strategy and design approach

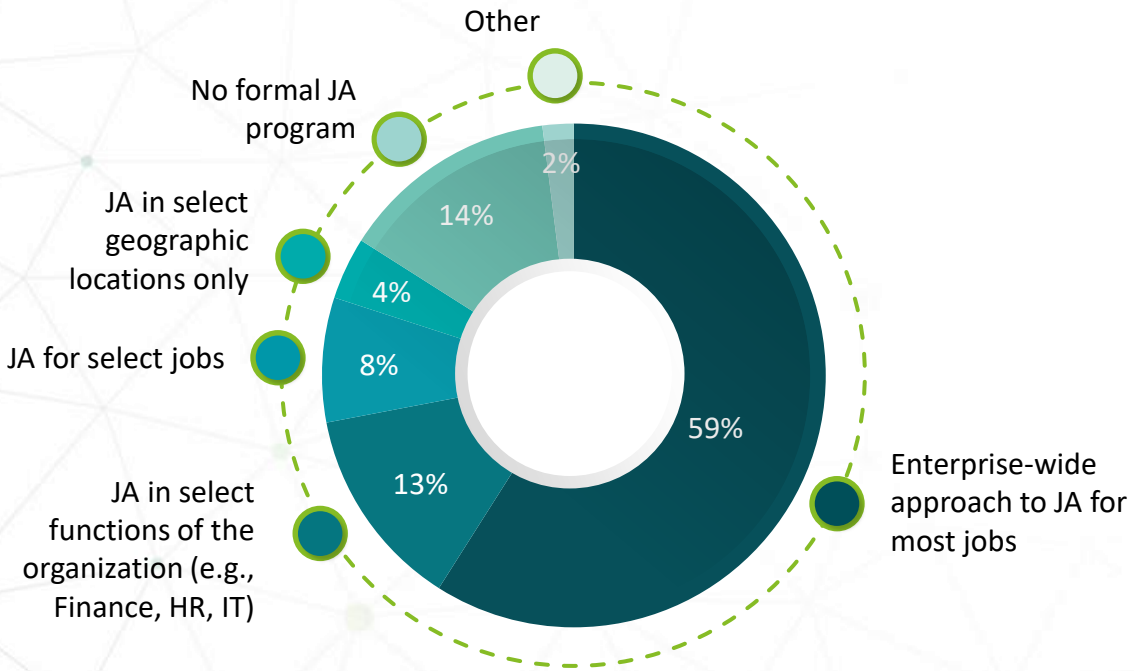


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# JOB ARCHITECTURE STRATEGY AND DESIGN

Participants were asked about the coverage of their current job architecture (JA) structure.

**Which statements best describe your organization's current JA structure? (n=307)**




**Which of the following elements are part of your current job architecture program? (n=296)**

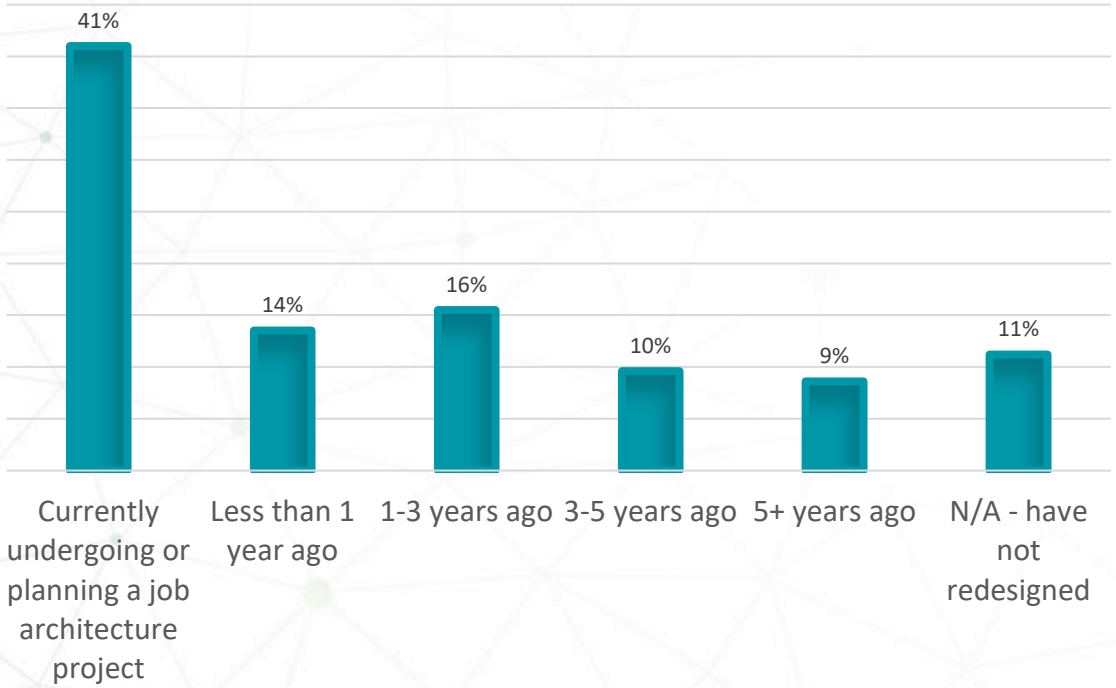
| | |
|---|---|
| Job titles | 86% |
| Pay structures/ranges/grades | 85% |
| Job leveling | 84% |
| Functions and Families | 72% |
| Career pathing | 48% |
| Program governance guidelines and processes | 32% |
| Competency/ Skills Framework | 31% |
| Point factor job evaluation | 20% |
| Other | 2% |

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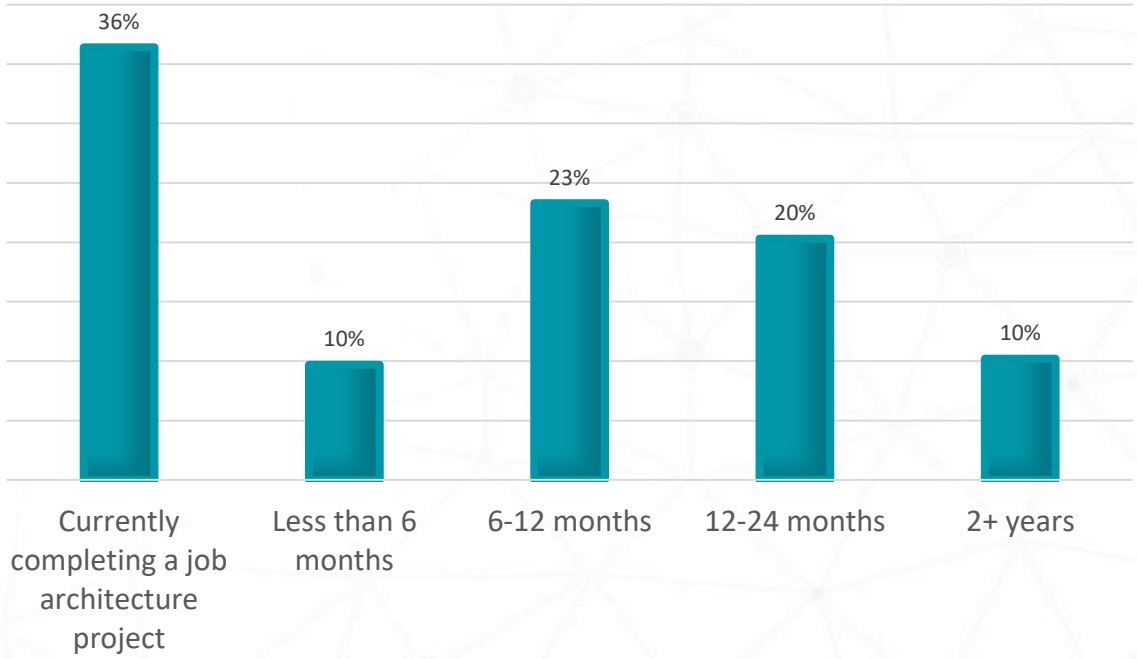
# JOB ARCHITECTURE STRATEGY AND DESIGN

85% of respondents indicated they have some type of formal job architecture program.
Participants were asked about their most recent job architecture redesign project and its duration.

**When was the last time your organization updated or redesigned the job architecture program? (n=302)**




**If you designed or redesigned your job architecture program(s), how long did the job architecture project take to complete? (n=235)**



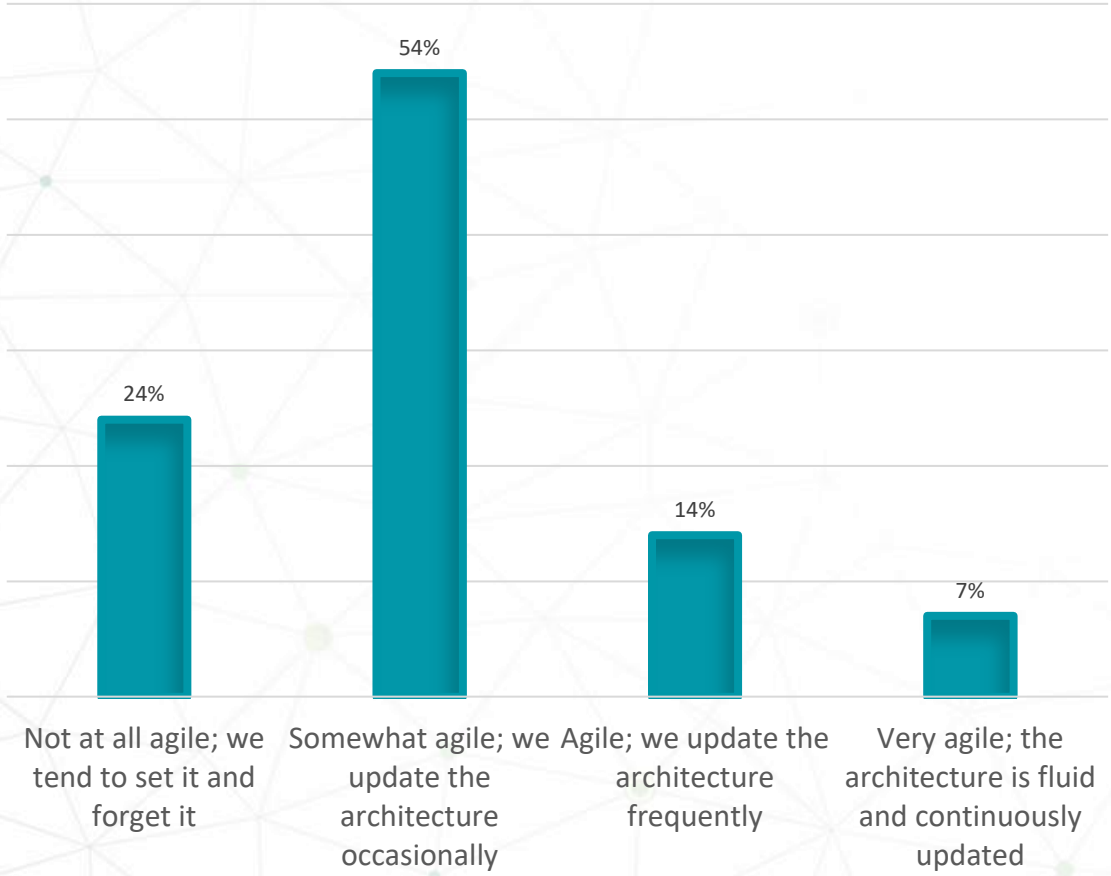

An increased number of respondents indicate that their organizations are currently undergoing a job architecture project (36 percent in 2020 to 41 percent in 2023).

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# JOB ARCHITECTURE STRATEGY AND DESIGN

The number of organizations that responded stating their organization's approach was "somewhat agile" increased from 34% in 2020 to 54% in 2023. The top four business reasons for prompting job architecture remain the same as the prior survey.

**How agile is your organization's approach to job architecture? (n=297)**




**What are the primary business drivers that prompted your job architecture project? (n=286)**

| | |
|---|---|
| Job structure/title practices | 69% |
| Career pathing and talent development | 65% |
| Pay program(s) assessment and alignment | 58% |
| Minimal job architecture in place | 45% |
| Workforce planning and HR reporting | 35% |
| Organizational design changes | 25% |
| Implementation of HR technology system | 24% |
| Jobs have changed or are expected to change substantially | 16% |
| Mergers and acquisition activities | 15% |
| Global mobility | 6% |

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SECTION 3

# Job leveling practices

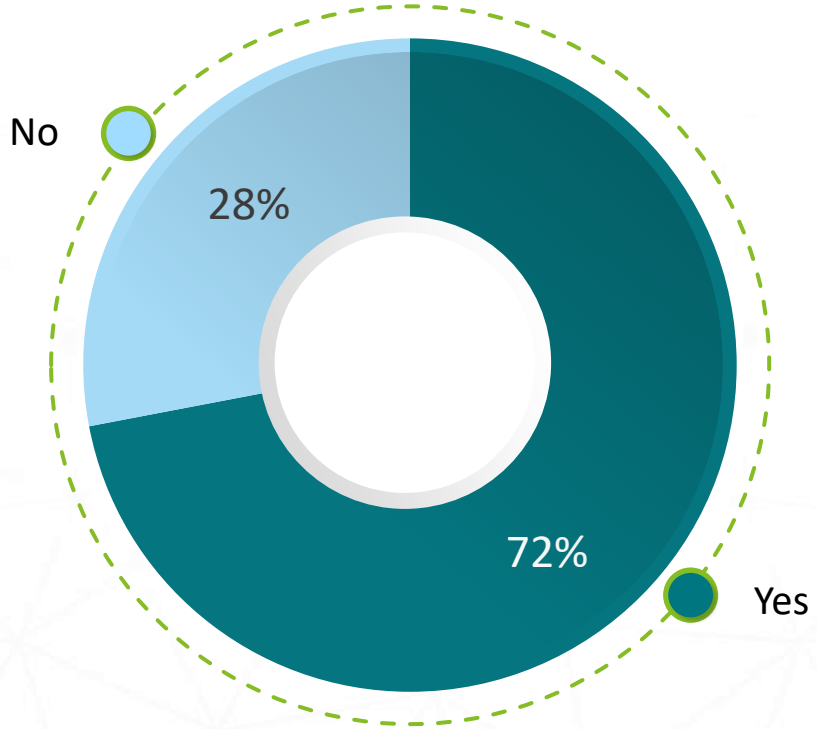


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# USE OF LEVELING GUIDES

70% of respondents identified having a consistent enterprise-wide approach to job leveling, with approximately 30% allowing for some variability based on function or geography.

**Does your Organization use Job Leveling Guides? (n=304)**



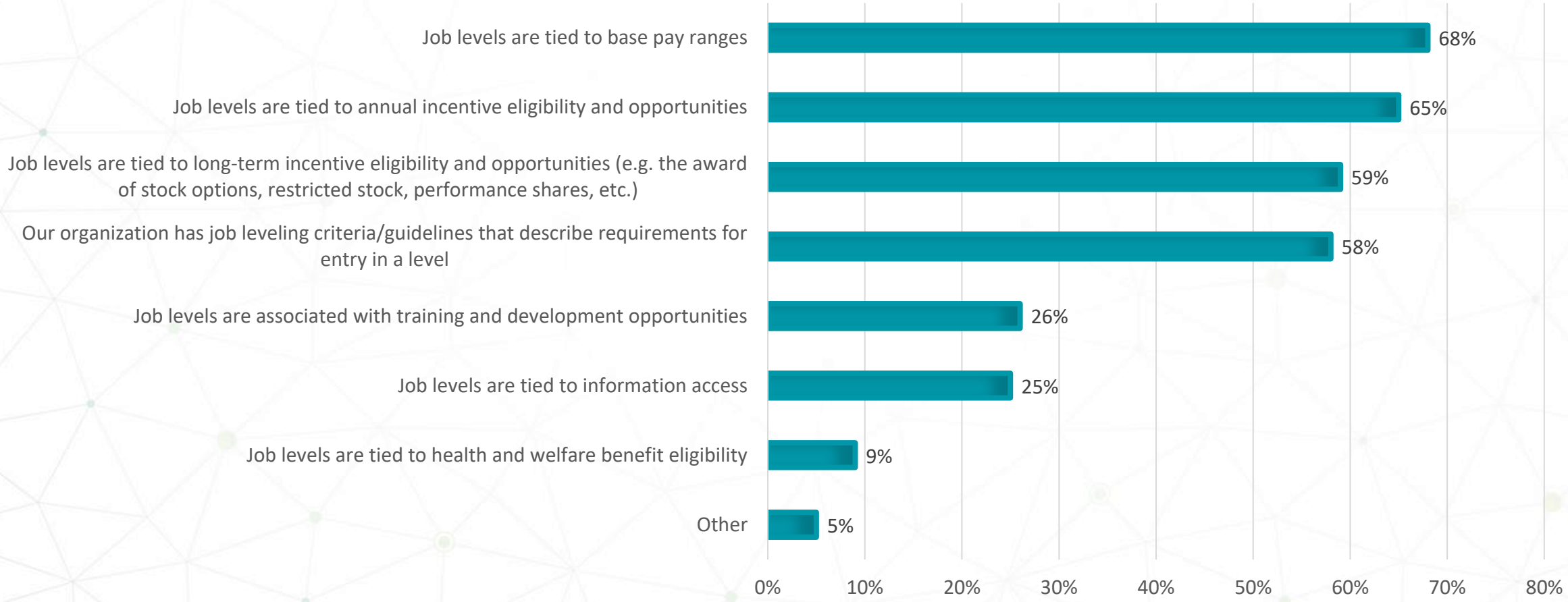

Most respondents use job leveling guides or a similar tool to define the criteria for assignment to each level, a slight decrease from the previous study (85% in 2020).

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# CURRENT ALIGNMENT OF JOB LEVELING TO TALENT AND COMPENSATION PROGRAMS

Job leveling is used to organize jobs for compensation purposes, provide guidance on career movement, and determine security/data access rights.

**Current Job Leveling Practices (n=288)**

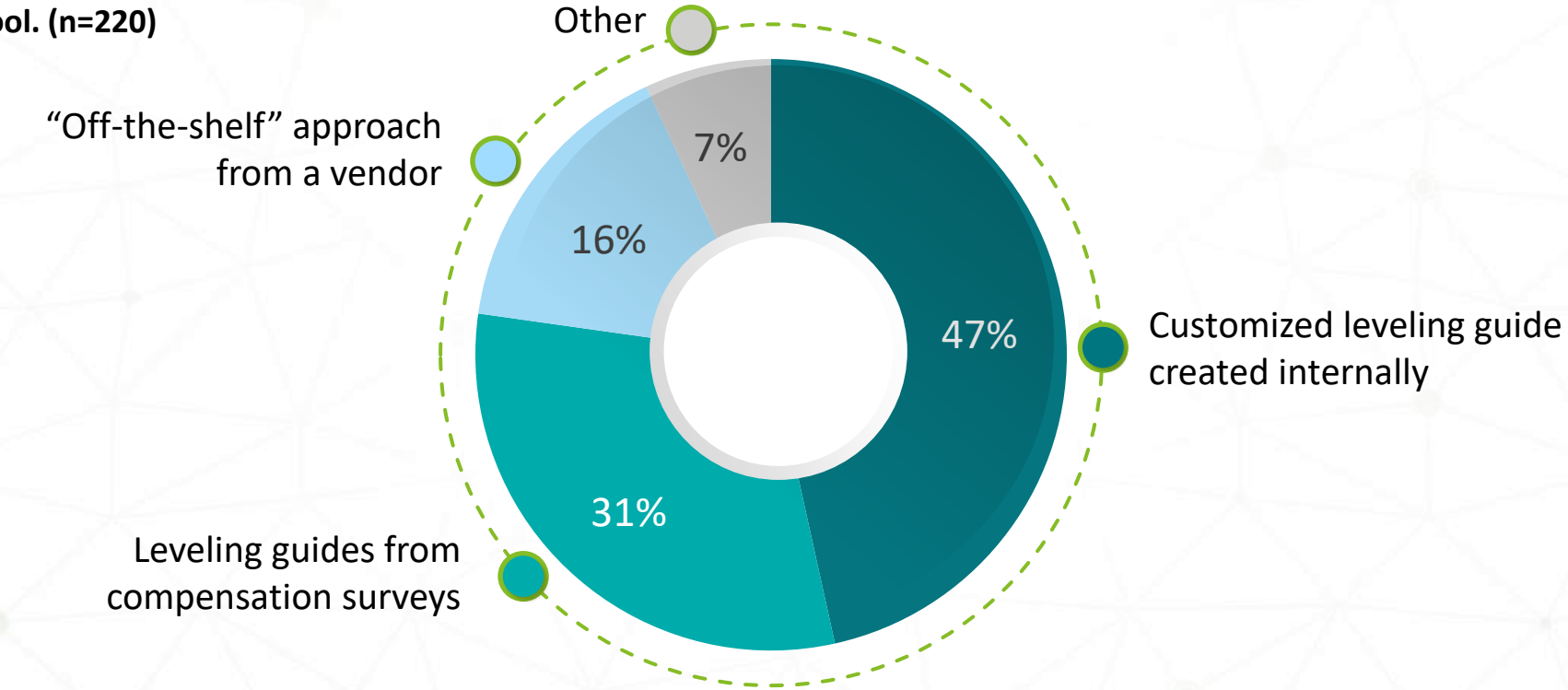



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# JOB LEVELING GUIDES AS TOOLS

While customized leveling guides remain the leveling tool of choice, there has been a significant increase (11%) in organizations using leveling guides from compensation surveys over prior survey. Criteria for people management levels remains the same as 2020.

**Please indicate the statement that best describes your primary job leveling tool. (n=220)**




Other common responses included a hybrid approach, including a blend of "off-the-shelf" with some customization, as well as survey leveling guides and internal/organizational leveling guides.

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SECTION 4

# Job titling nomenclature practices

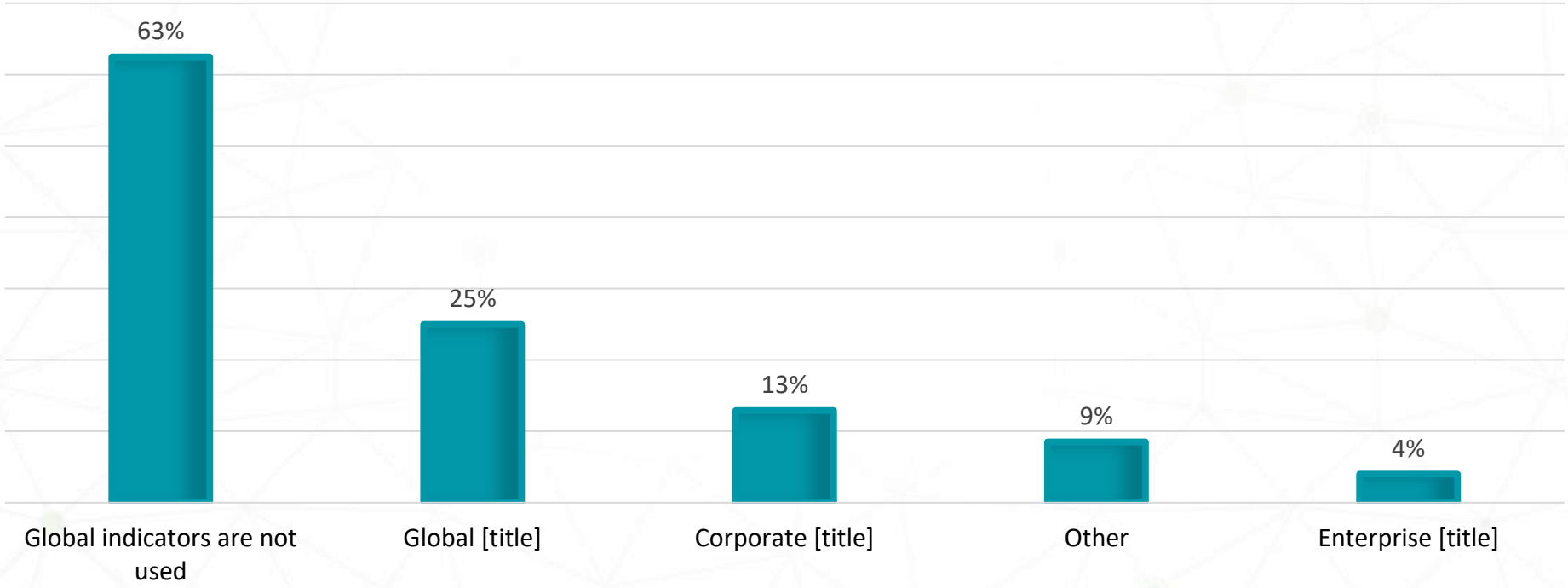


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# REGIONAL / GLOBAL JOB TITLING

Participants were asked if they differentiate global or regional roles in job titles and the types of indicators they used.

**Job title indicators used to designate a global / enterprise role (n=272).**



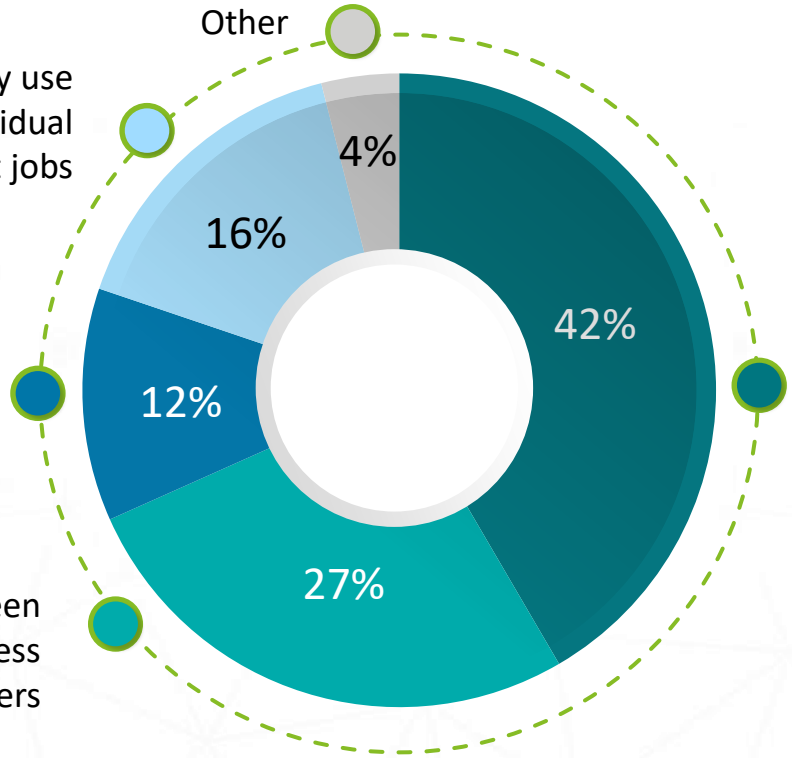

Other responses included: National; Chief, Country/Area, Job Title, Region; and Group.

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# JOB LEVELING NAMES, TITLING NOMENCLATURE

The 2023 survey has taken a boarder approach towards titling practices, classifying in four main categories: Executive / Management, Professional / Individual Contributors, Technician and Skilled Trades, and Administrative Support and Clerical

**Which of the following statements best describes the use of "management" job titles at your organization?**




Over half of the respondents said their companies maintain guidelines for the use of their titles differentiating Executives / Management from Professional / Individual contributors as it relates to those with no direct reports and are not people managers. 27% allow individual contributors to use management referencing titles.

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SECTION 5

# Job evaluation practices

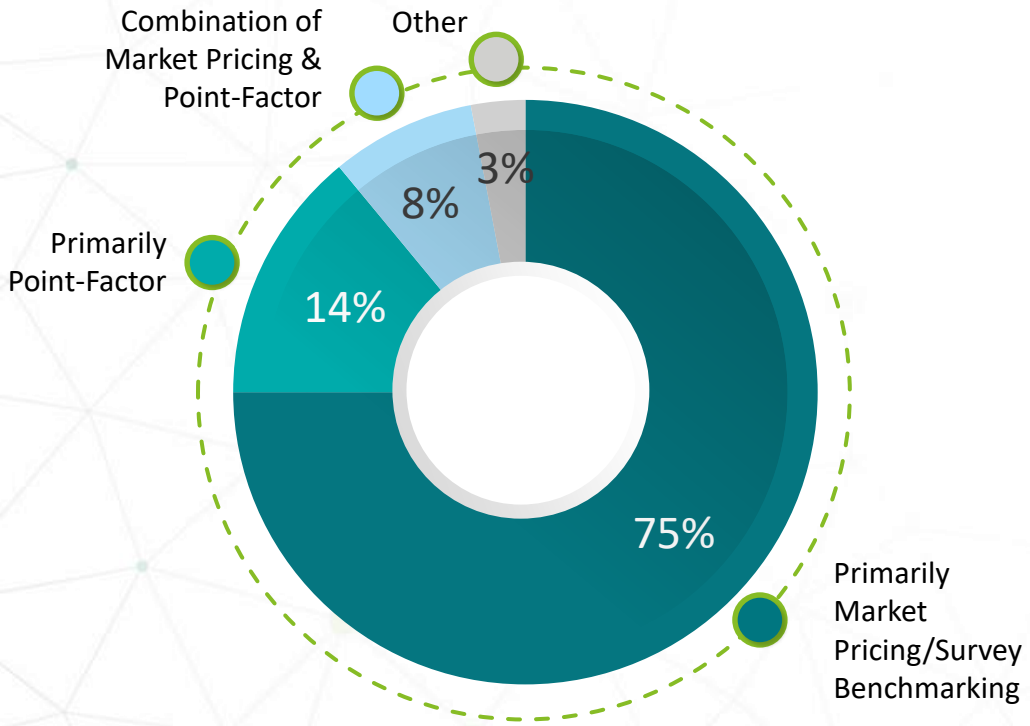


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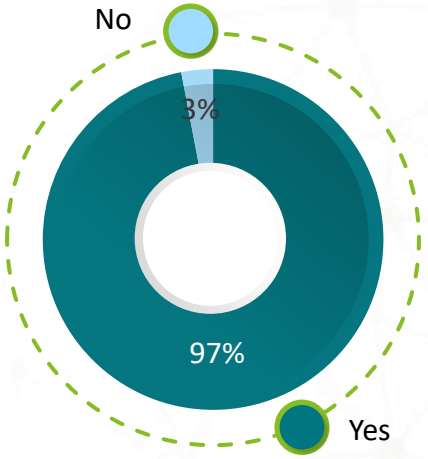
# JOB LEVELING NAMES, TITLING NOMENCLATURE

Job evaluation looks at the relative value of jobs in an organization to ensure fair and equitable pay practices. Respondents were asked various questions about their job evaluation practices.

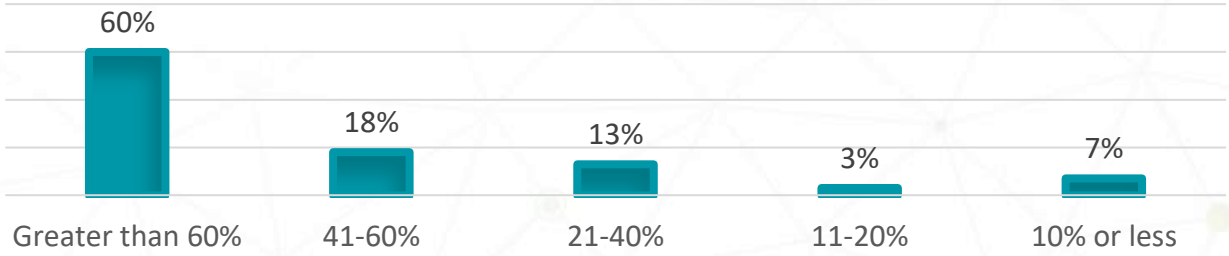
**What methodology do you primarily use to assess the relative value of your jobs? (n=294)**




**Does your organization market price jobs using compensation surveys? (n=297)**




**If yes, approximately what percentage of jobs do you benchmark (using market pricing) on an annual basis? (n=285)**



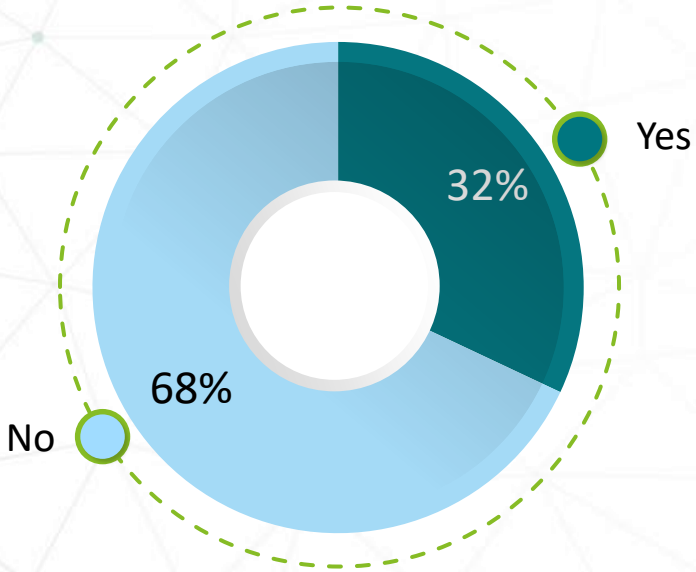

75% of organizations use market pricing/ survey benchmarking, which is a 5% rise in organizations from 2020 (70% in 2020). Of those that use compensation surveys, the majority (60%) noted they benchmark over 60% of their jobs.

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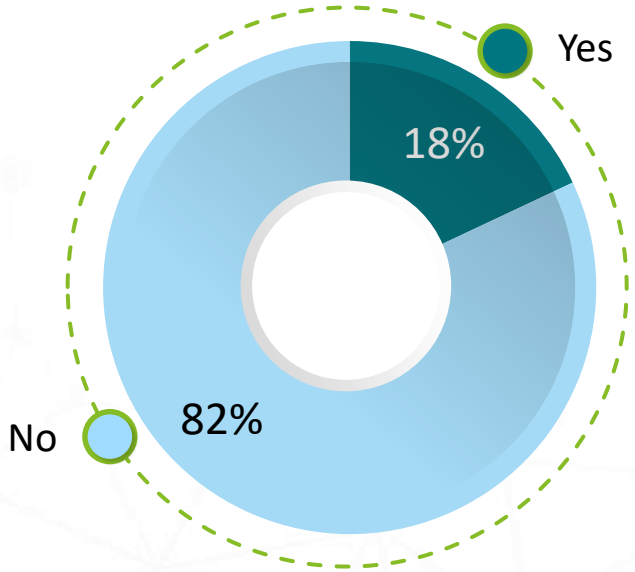
# JOB EVALUATION PRACTICES AND METHODOLOGIES

Organizations use a variety of tools, data sources, and methodologies for their job evaluation process.

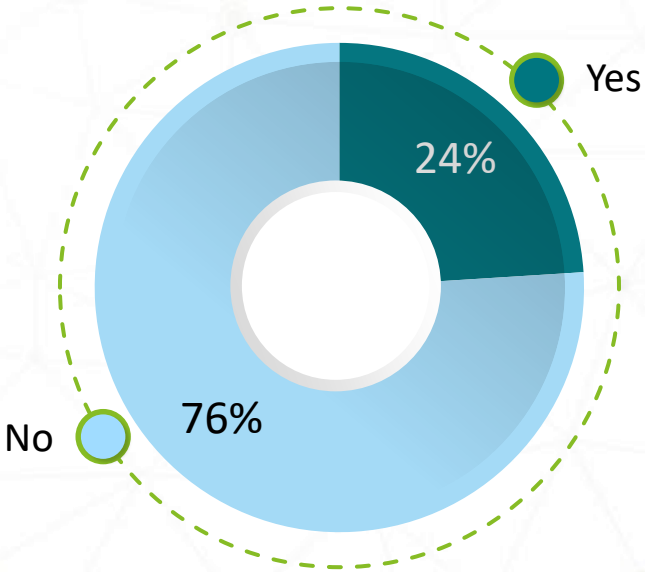
**Does a technical cloud solution support your job evaluation methodology? (n=292)**




**Does your organization make use of crowd sourced compensation benchmark data? (n=293)**




**Does your organization use a point factor methodology to evaluate jobs? (n=297)**




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SECTION 6

# Job description practices

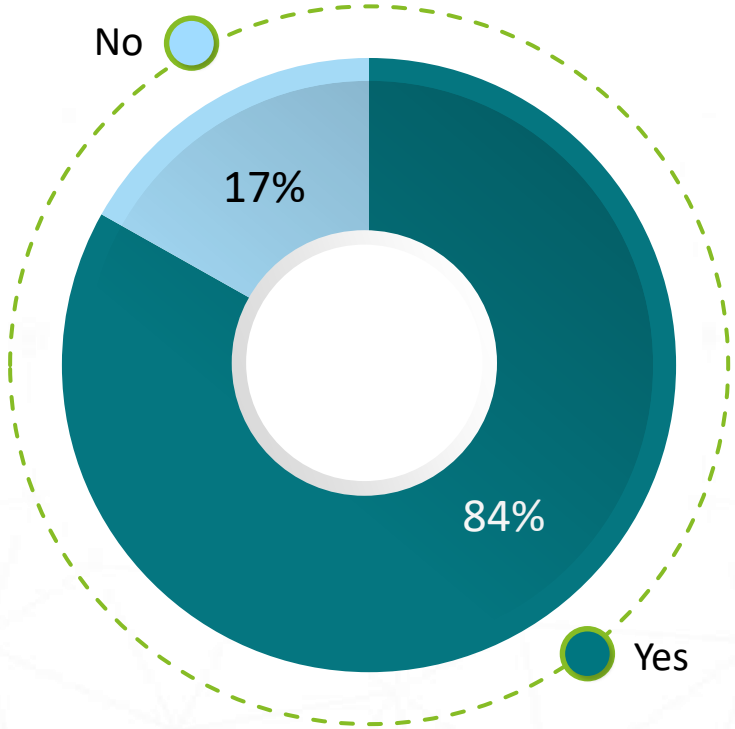


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# JOB DESCRIPTION PRACTICES BY INDUSTRY

Well-defined and clear job descriptions are the building blocks that enable effective talent programs at organizations.

**Does your organization use a standardized job description template? (n=297)**



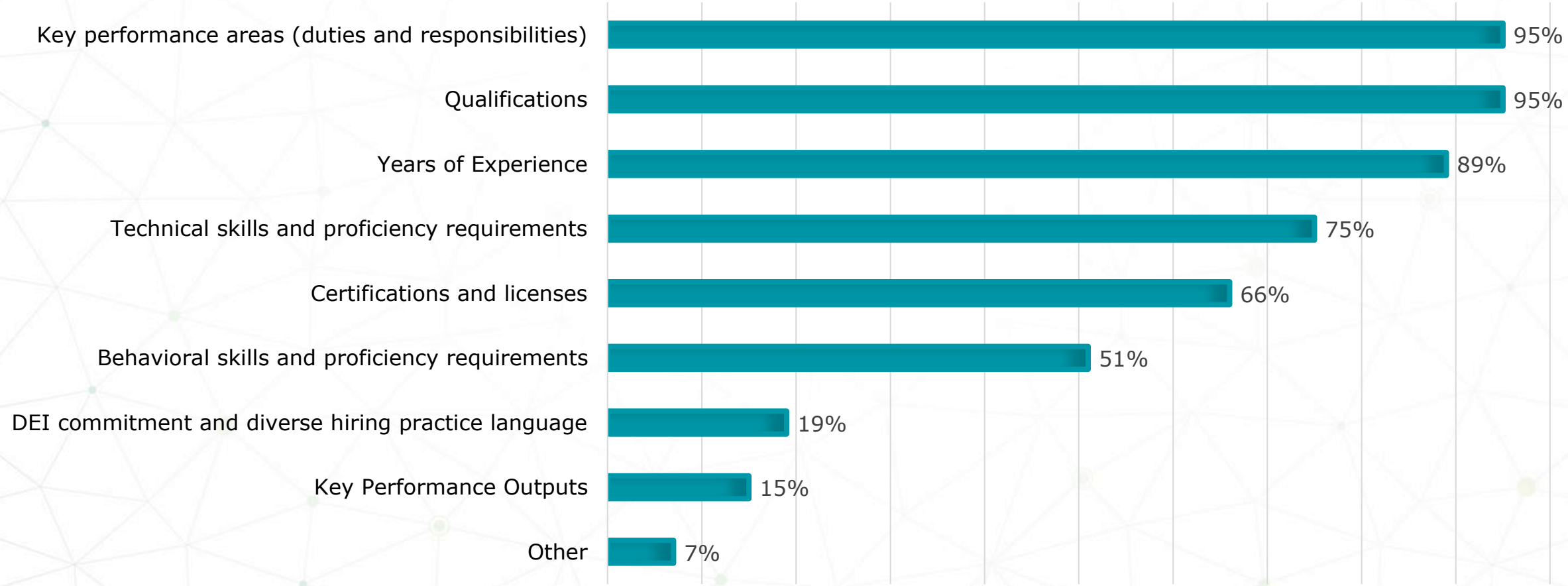

Consistent and clear expectations of the role defined allows organizations to enhance employee experience through multiple facts of talent processes such as acquisition, development, mobility, and workforce planning.

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# STANDARDIZED JOB DESCRIPTION TEMPLATE FIELDS

Organizations with standardized job description templates included key performance areas and qualifications most frequently.

**Fields included in job description templates (n=247)**

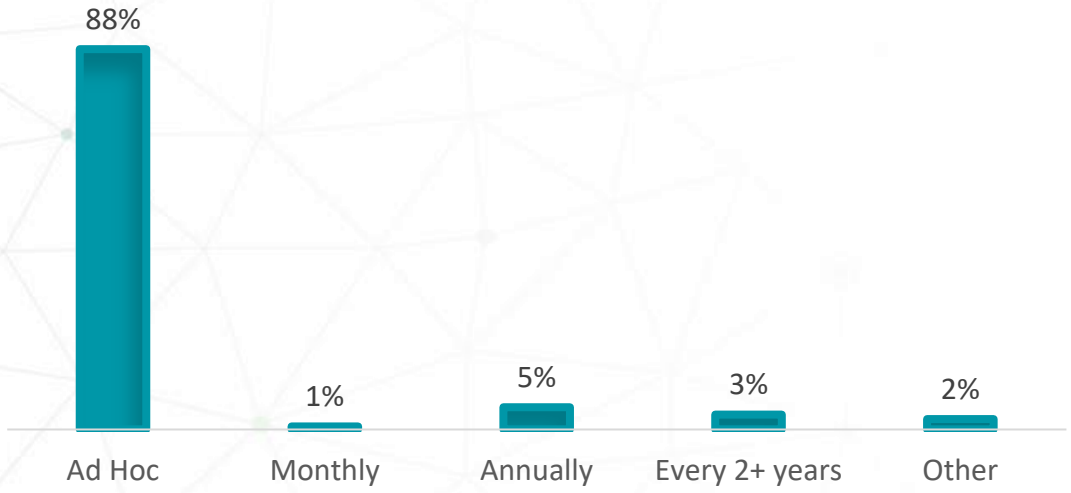



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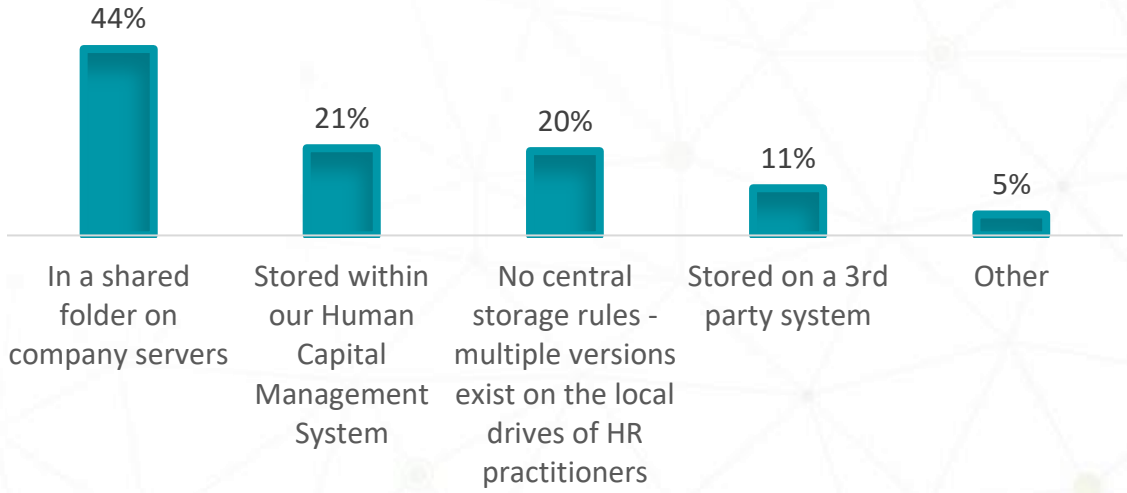
# JOB DESCRIPTION REVIEW & STORAGE

The vast majority of organizations update or review job descriptions on an ad hoc basis, however storage methods had varying results.

**How often are your job descriptions updated, reviewed, or re-written? (n=291)**




**Please describe how job descriptions are stored within your organization (n=288)**



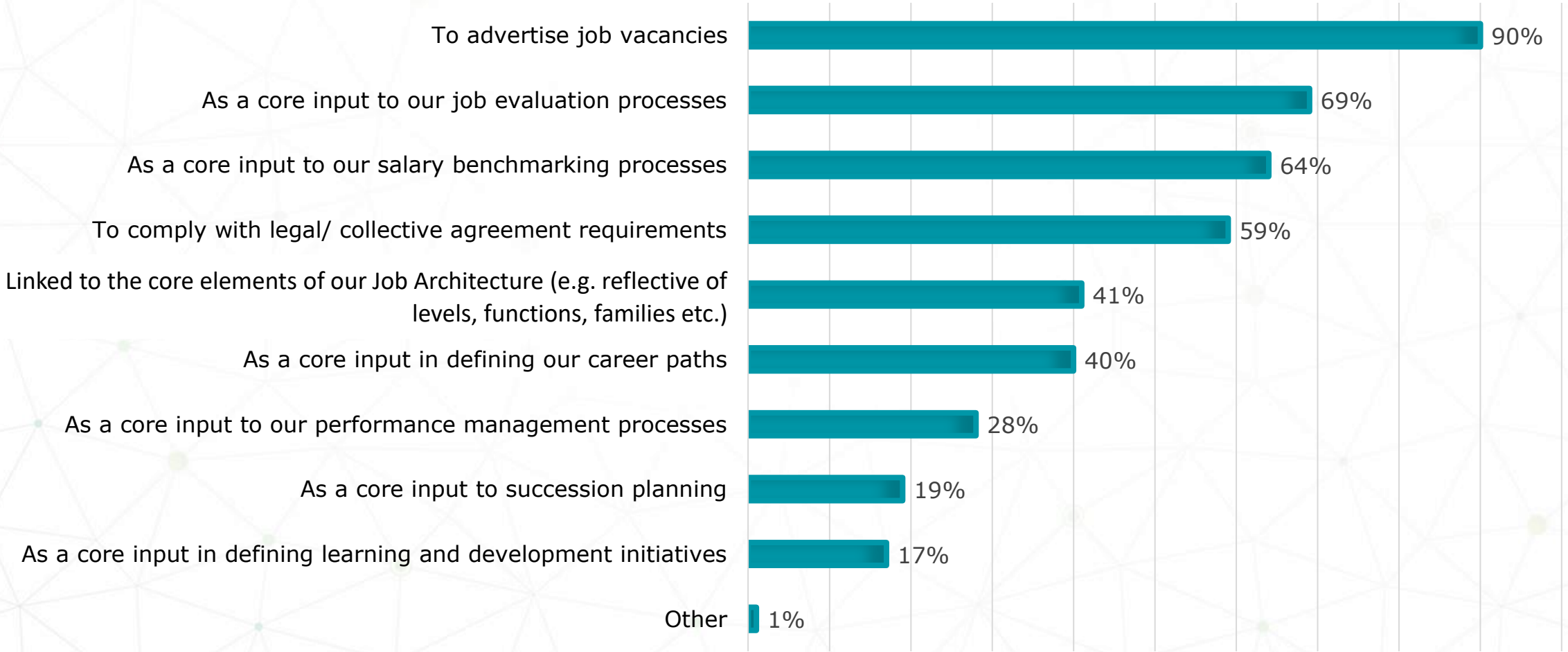

One out of five organizations indicated no central repository exists for job descriptions

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# JOB DESCRIPTION USE CASE

Nearly all organizations use job descriptions to advertise job vacancies, however, a majority also leverage job descriptions for other purposes including job evaluation and salary benchmarking.

**Typical uses for job descriptions (n=292)**

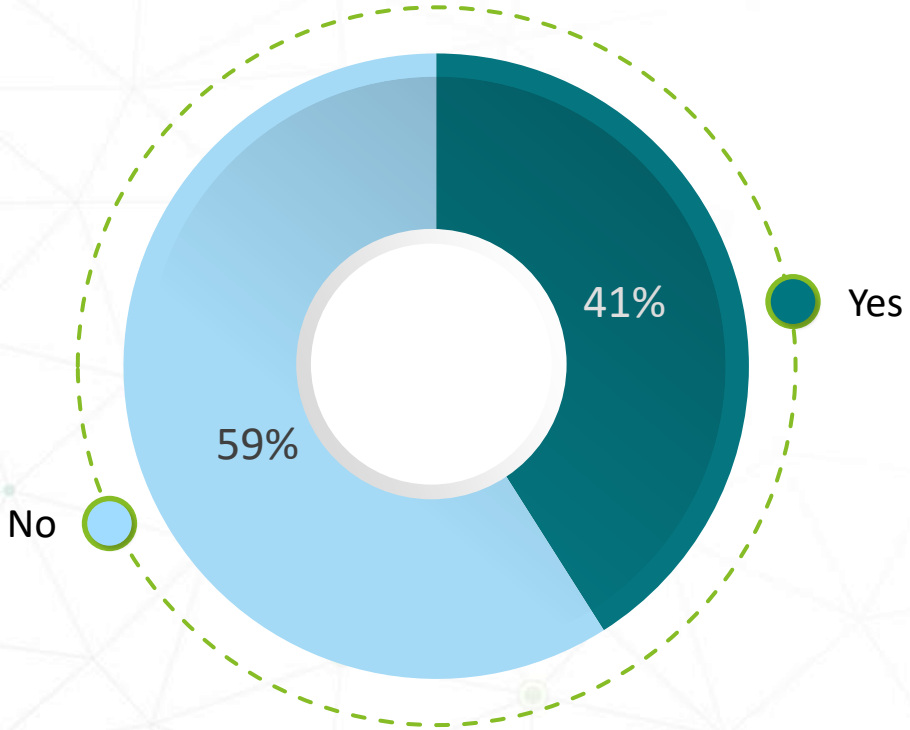



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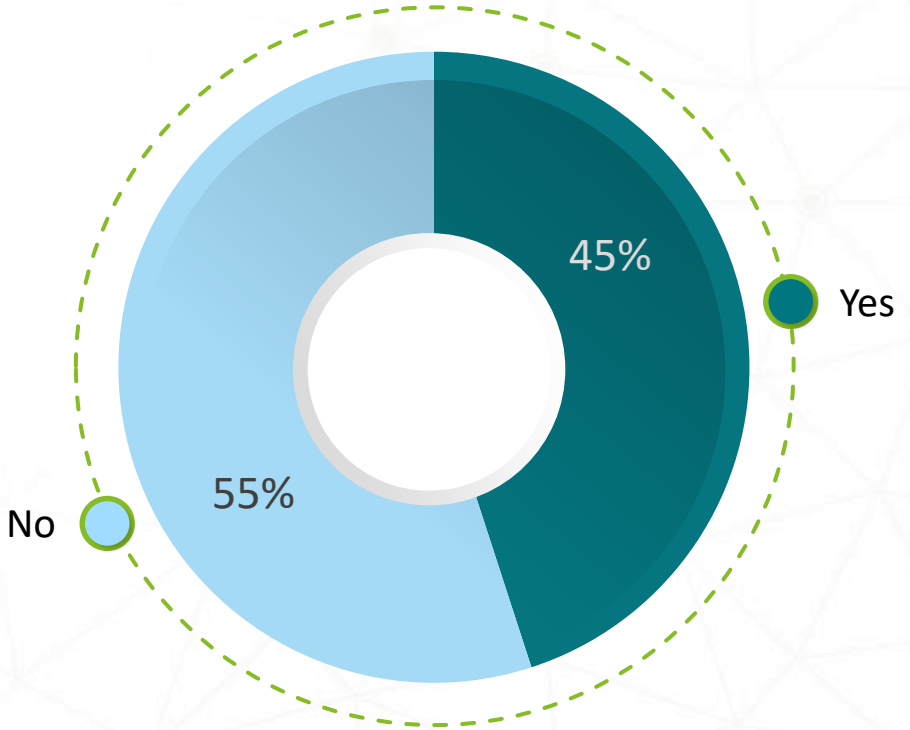
# JOB DESCRIPTION PRACTICES

While most organizations have standardized job descriptions, nearly 60% are not satisfied with their current governance process.

**Are you satisfied with your organization's current control and governance process for job descriptions? (n=291)**




**Are you planning any significant revisions to your job description and governance processes? (n=291)**




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SECTION 7

# Alignment of skills to job architecture

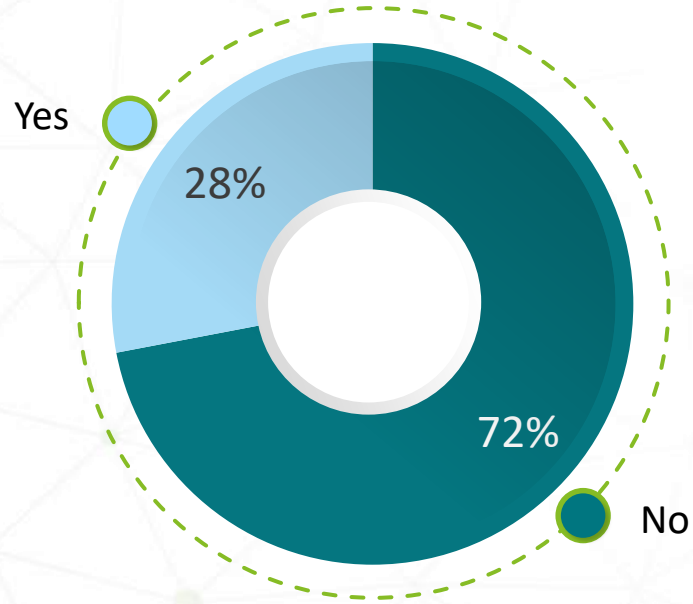


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# ALIGNMENT OF SKILLS TO JOB ARCHITECTURE

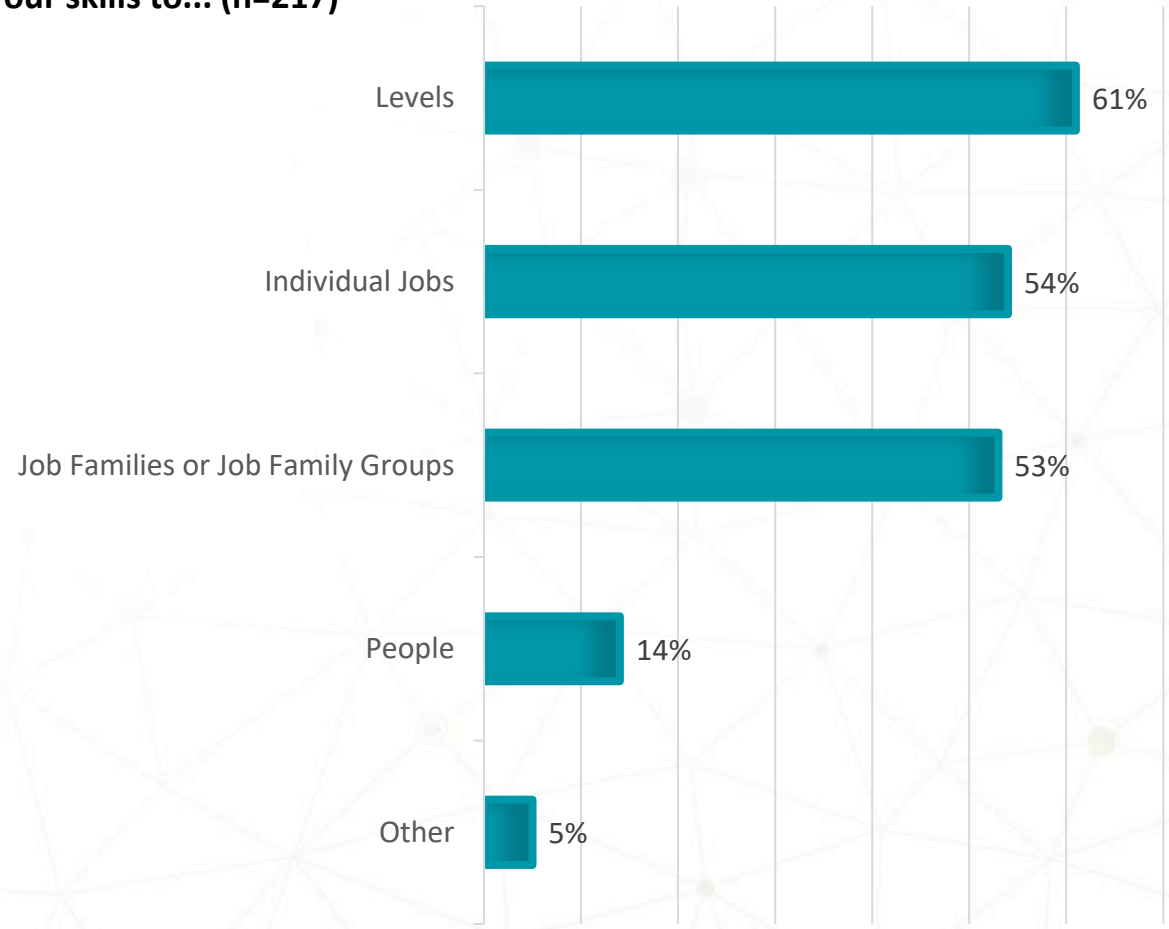
In 2023, we included a new section to the Job Architecture Survey to look at the potential shift of employers moving to or incorporating job skills and competencies in their job architecture program.

**Does your company connect job skills and competencies to the job architecture program? (n=290)**




***28% of participating organizations are incorporating job skills and competencies** to their job architecture program, with over half of respondents attaching skills to levels, jobs, and job family / family groups.*

**Please check all that apply regarding skills and competencies. We attach our skills to... (n=217)**

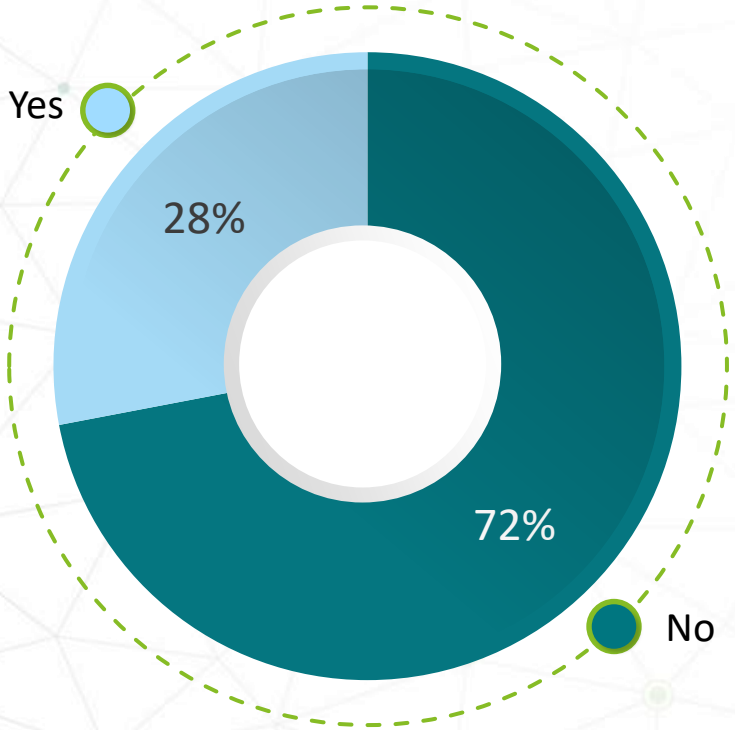



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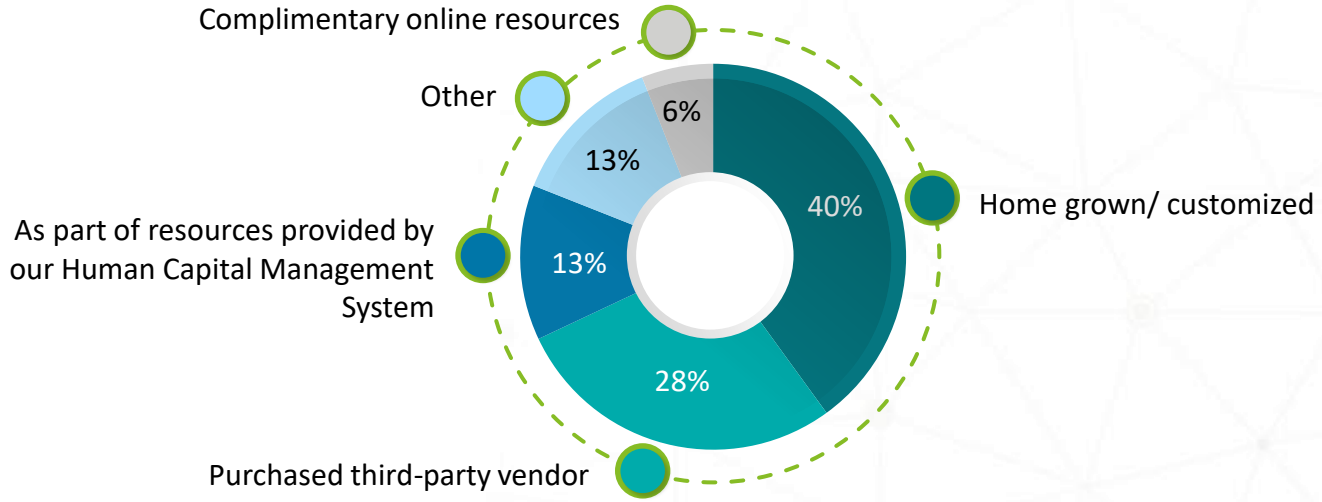
# SKILLS LIBRARY / TAXONOMY

28% of participating organizations have a skills library or taxonomy, most of which are home grown by the company or purchased from a third-party vendor.

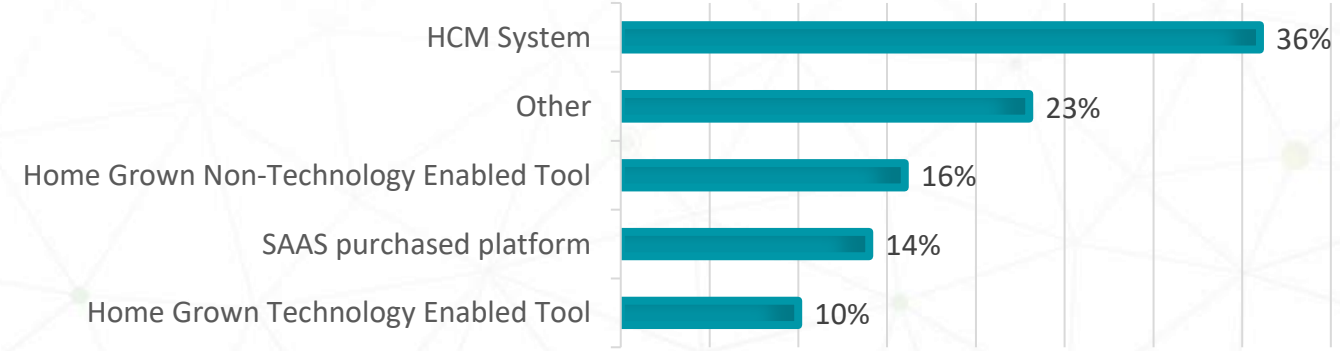
**Do you have a skills library/ taxonomy? (n=263)**




**If yes, how was your skills library/ taxonomy compiled? (n=68)**




**Skills/competencies library/taxonomy are stored and available through… (n=154)**

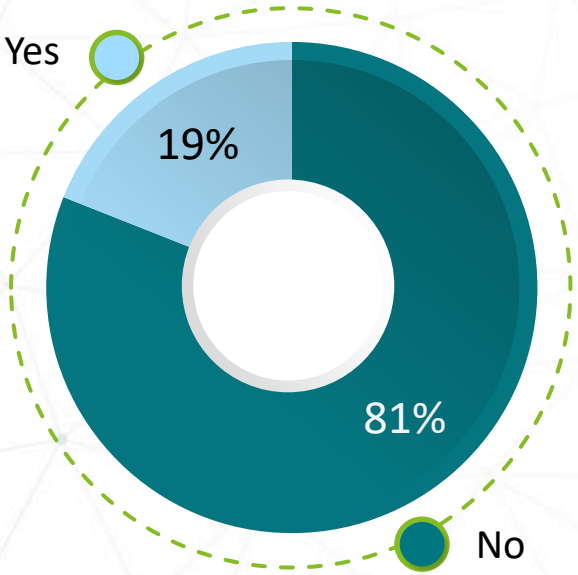



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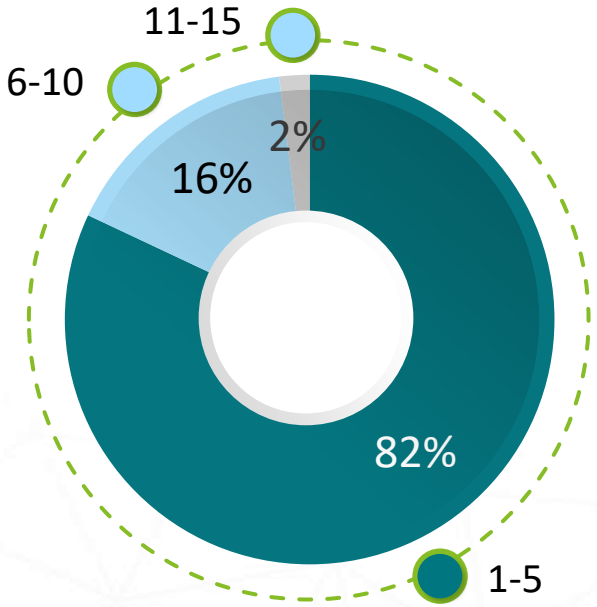
# EMPLOYEE SKILL PROFICIENCY

81% of organizations do not measure employee skill & competency proficiency. Typically, organizations identify 1-5 levels of a skill/competency and differentiate skills/competencies by linking to adjectives such as Entry, Intermediate, & Advanced.

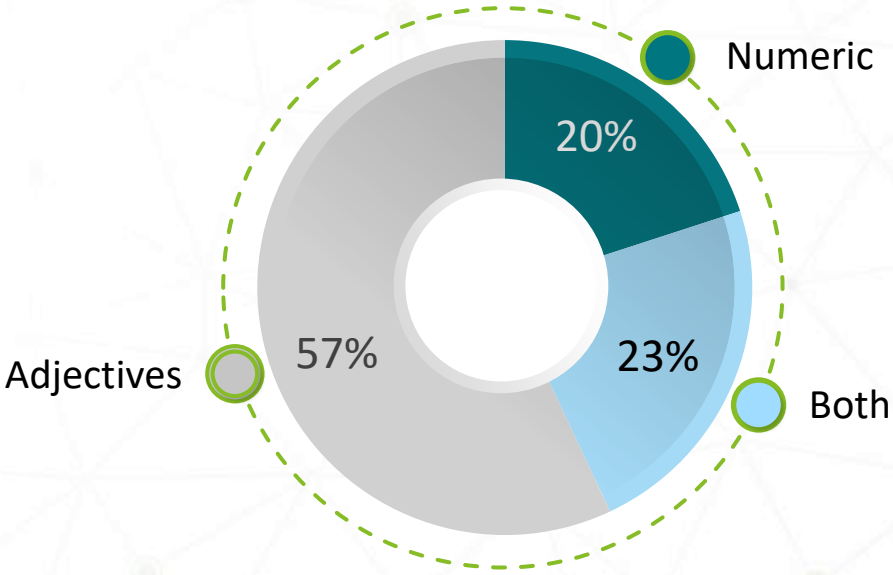
**Does your company measure employee skill proficiency? (n=259)**




**If Yes, how many proficiency levels does your organization use? (n=44)**




**If Yes, what do you use to distinguish proficiency levels? (n=30)**

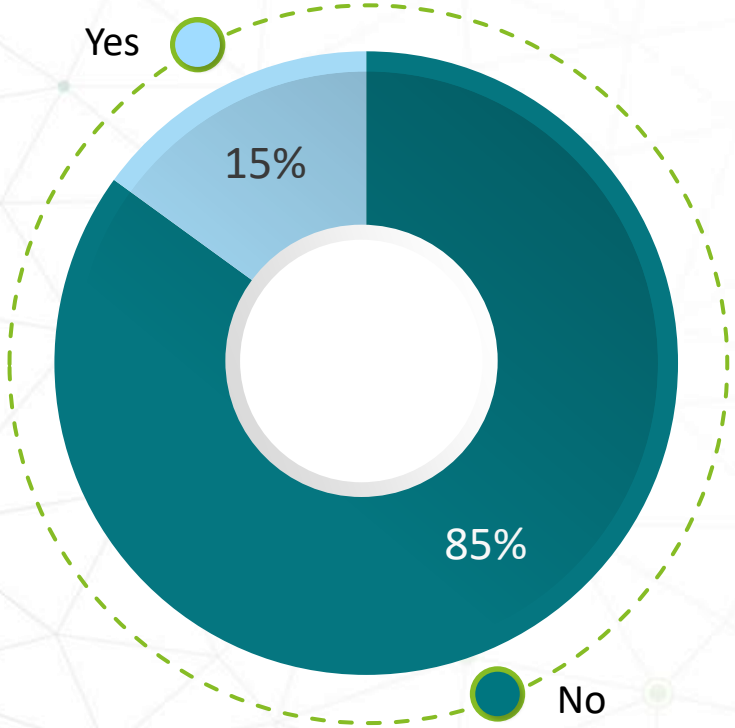



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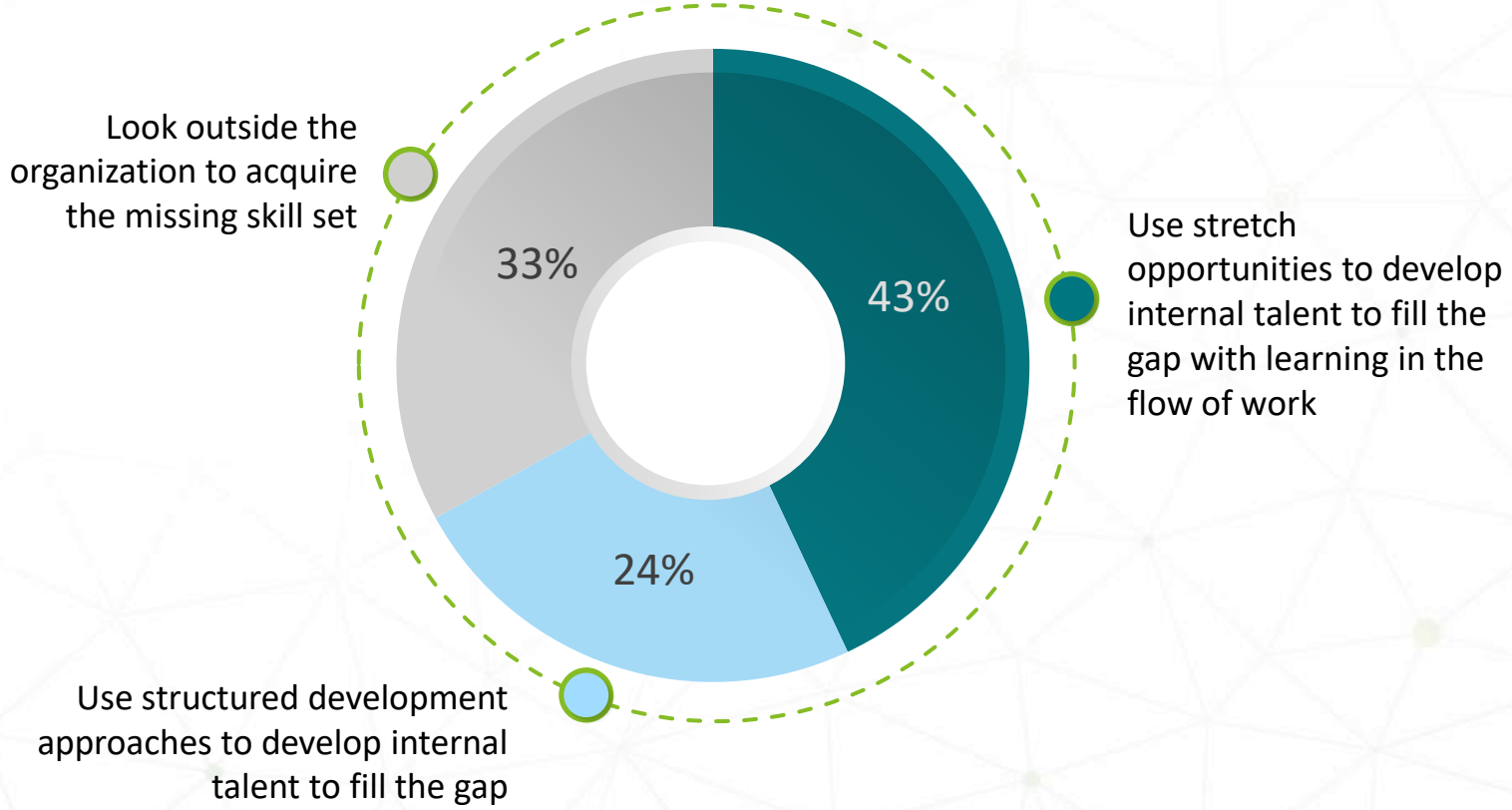
# SKILLS DEVELOPMENT

Few companies (15%) reward employees for skill acquisition. Additionally, when gaps are identified, organizations typically (43%) use stretch opportunities to develop internal talent

**Does your company reward skill acquisition? (n=262)**




**When my organization identifies a skill gap, we are most likely to... (n=237)**




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# ANNOUNCEMENTS

**It’s not too late to participate!**

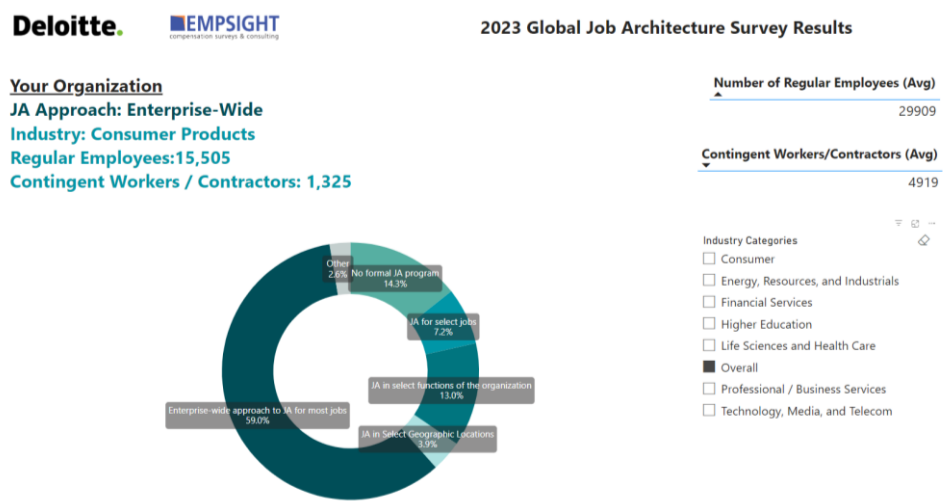
Due to popular demand, the decision has been made to keep the survey open year-round. Those who participate will receive a complimentary copy of the updated report in Q1 of the following year.

www.globaljobarchitecture.com

**Schedule an individualized Power BI session!**

If you would like to see how your company’s profile and job architecture compares to your peers, Empsight and Deloitte will be offering personalized sessions.



# Thank you.

***For more information about this study or to discuss Job Architecture, please contact:***


**Gregory A. Stoskopf, CCP**
**Managing Director**
Deloitte Consulting LLP
Email: gstoskopf@deloitte.com
Tel: 212.618.4627

**Renzo Tognocchi**
**Senior Manager**
Deloitte Consulting LLP
Email: retognocchi@deloitte.com
Tel: 404.942.6972

**Sheila C. Sever, CCP**
**Senior Manager**
Deloitte Consulting LLP
Email: ssever@deloitte.com
Tel: 713.982.2627

**Cainaan Lacy**
**Senior Consultant**
Deloitte Consulting LLP
Email: clacy@deloitte.com
Tel: 212.436.2593