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Job Architecture in the Boundaryless World

Activating Career Paths, Mobility, and Pay Equity
through Modernizing Job Architecture



In the rapidly changing landscape of the 21st century, characterized by global connectivity, digitalization, and the surge of remote work, the relationship between organizations and their employees is undergoing a profound shift. Employees are clamoring for increased transparency and a deeper sense of ownership in their roles, while organizations are striving to enhance their ability to predict workforce supply and demand more effectively through skills. Furthermore, the significance of achieving equity in rewards has arisen as a pivotal element in bolstering diversity, equity, and inclusion initiatives.

As businesses grapple with these transformative forces, the importance of job architecture has never been more pronounced—job architecture serves as the blueprint that organizations use to structure roles to build clear career paths and define equitable and fair rewards. A well-defined job architecture is also essential to connect skills in demand and ultimately strengthen talent strategies.

The Rise of a Skills-Based Job Architecture

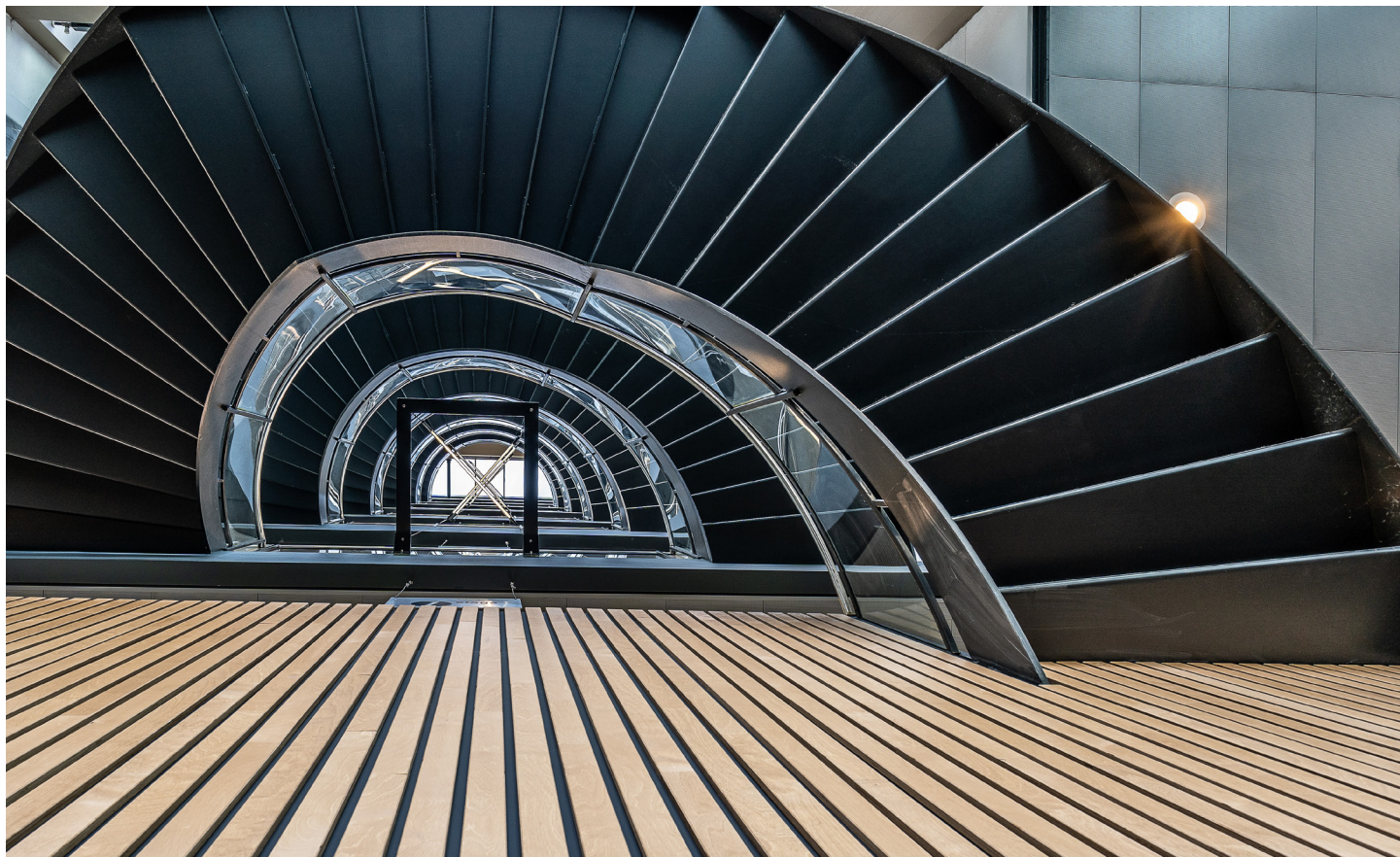
In response to evolving worker demands, a pivotal shift is occurring, a shift towards skills-based talent practices. This movement recognizes that traditional jobs and titles can be limiting. A staggering 93% of organizations believe moving away from job-centric structures is crucial for their organization's success, and organizations that effectively adopt skills-based models unlock their workers' potential, leading to enhanced value creation by 52%¹.

Yet only 20% feel prepared to embrace this transformation¹—highlighting a substantial readiness gap, given that this transition means profound changes in their strategic approach, operational processes, and organizational culture, which could potentially disrupt their existing workforce and services.

This is precisely why the concept of a skills-based job architecture, which harmonizes activities and tasks within jobs with employees' skill sets, capabilities, and corresponding proficiency levels, has arisen as an innovative solution that connects the realms of job architecture and a skills-based talent model. A skills-based job architecture not only enhances productivity and efficiency but also fosters innovation, underpinning a dynamic, skill-driven approach that empowers individuals and optimizes their contributions through the organization's job architecture.

Additionally, in the event of labor shifts, similar to that of the Great Resignation, a skills-based job architecture can alleviate discrepancies between talent supply and the work to be done, by providing a more holistic and accurate view of skills than organizations already possess. Organizations can then more nimbly redeploy that talent to more optimized jobs.

¹ 2023 Deloitte Global Human Capital Trends; The organization of the future <https://www2.deloitte.com/us/en/insights/focus/human-capital-trends.html>



Implementing a Skills-Based Job Architecture

So how do organizations activate a skills-based job architecture? This will require a data-driven, new way of looking at their talent. Organizations will need to begin a mindset shift as witnessed during the Great Resignation to define and link skills required to accomplish the work, rather than simply developing rigid job titles or skills without a structured framework linking the two. Ultimately, this skills-based evolution must begin with a well-defined job architecture, to which the skills are then linked.

Organizations that Deloitte helped design and launch their skills-based job architecture successfully first aligned their talent strategy to clarify how this new framework would fit within existing talent programs and to create unconventional talent pool acquisition, retention, and development strategies. These organizations enabled career movement, both lateral and vertical, based on a structured, skills-based job architecture. Both leadership and employees learned to think about business objectives and goals, rather than focusing only on specific tasks within their own departments. It is crucial to carry this mindset into a company culture that encourages employees to reskill and upskill to build their own career paths.

Skills-based talent models form the foundation for "Talent Marketplaces" which foster internal employee mobility. Within these marketplaces, employees are empowered to explore job opportunities tailored to their distinctive skill sets. Data will play a critical role in this new form of job architecture. To ensure that employees' latest skills are accurately aligned to their work, organizations should consider utilizing AI and prevalent market data to maintain the quality and integrity of a skills-based job architecture.

A data-backed approach and transformation will allow companies to fully unleash the potential of employees and create more dynamic, unconventional career paths.

Job Architecture for Market-Based Compensation and Pay Equity

The 2023 WorldatWork & Deloitte Compensation Structure Policies & Practices report confirmed that market-based structures have grown in prevalence, reaching 65%—a 10% increase since 2019². As market-based compensation structures continue to be popular, job architecture also continues to be increasingly critical as a guideline to align market-based compensation data to jobs.

In addition to market competitiveness, the dynamic workforce now actively seeks equitable experiences and greater transparency. This growing desire and insistence from employees drives employers to design and manage talent programs with a strong focus on equity. One prominent area that both employees and employers are focusing on is pay equity, a principle ensuring that employees receive fair compensation for their work, regardless of their gender, race, ethnicity, or other characteristics.

An accurate and structured job architecture is indispensable when it comes to accurate pay equity analyses. Defining similar type roles for cohort development and comparisons is a foundational first step in your pay equity assessments. Without a comprehensive job architecture, defining the various roles and their respective levels of contribution and similarities can become arduous, creating a potential breeding ground for unintended bias and inequities.

Empowering through Technology and Data

As organizations venture into job architecture, utilizing technology in the right way becomes paramount to increase efficiency and reduce manual efforts. The integration of Generative Artificial Intelligence (GenAI) and technology introduces a new layer of complexity and considerations, requiring open communication about how technology can enhance job architecture.

Job and skills data from the external market and internal employees has the potential to produce massive benefits for both organizations and employees. For instance, GenAI can revolutionize the job design and implementation process by accelerating tasks such as job description writing, job matching, and the development of functions and families.

This not only streamlines effort execution but also exemplifies GenAI presence in this space, underscoring a commitment to cutting-edge technology.

On the other hand, as employees have increasing choice and influence, they are starting to demand mutual benefits from the use of data. Tapping into real-time job and related skills data will help organizations stay on top of emerging trends and respond quickly to the needs of businesses and employees. Data is no longer supplementary in job architecture. Rather, it serves as a crucial tool to help employees and organizations understand the market directions and future-proof strategies.

In addition, maintaining and handling data ethically and transparently is important. By keeping employees aware of what data is being tracked and why, employees may be more receptive to both sharing their data as well as gleaning and acting on insights from the data. According to a recent study published in Harvard Business Review, 90% of employees are willing to let their employers collect and use data about them and their work, but only if it benefits them in some way³.

In a time where purpose and value-driven work are championed and pushed to the forefront, embracing new technology and ways to wisely use new tools to harness the power of data will allow organizations to create effective workforce planning strategies and meaningful career paths for employees. Furthermore, employees will feel their developmental efforts, such as upskilling or reskilling, can make a tangible impact as they see their updated skills dashboard, the system making suggestions of other jobs within the organization that align better with the new skills they learned, and so on. Utilizing technology and data to better understand employees' interests and skills allows organizations to help employees develop a "shared journey, shared outcomes" mindset¹ through the right learning opportunities. This will empower employees to adapt to ongoing changes and actively maximize and contribute to change.

Navigating the Future

Supported by enhanced technology and data, transformation of job architecture accelerates a skills-based organization approach, market-based compensation, and pay equity, while continuing to serve as the foundational data for talent programs to connect, grow, and expedite an organization's talent strategy.

As organizations embrace the new norm of work, those that strive to adapt to evolving job architecture design and practices will emerge as leaders in creating a workplace that empowers employees, aligns with market dynamics, and pioneers the future of work.

² 2023 WorldatWork & Deloitte Compensation Structure Policies & Practices Report

³ Elyn Shook, Eva Sage-Gavin, and Susan Cantrell, "How companies can use employee data responsibly," Harvard Business Review, February 15, 2019, View in Article

Contact us:

Gregory A. Stoskopf

Managing Director
Deloitte Consulting LLP
gstoskopf@deloitte.com

Lucas Watanabe

Managing Director
Deloitte Consulting LLP
lwatanabe@deloitte.com

Mitch Barnes

Senior Manager
Deloitte Consulting LLP
mitbarnes@deloitte.com

Chris Losak

Senior Manager
Deloitte Consulting LLP
closak@deloitte.com

Kim Rogers

Senior Manager
Deloitte Consulting LLP
kimrogers@deloitte.com

Sheila Sever

Senior Manager
Deloitte Consulting LLP
ssever@deloitte.com

Doug Tapp

Senior Manager
Deloitte Consulting LLP
dotapp@deloitte.com

Renzo Tognocchi

Senior Manager
Deloitte Consulting LLP
retognocchi@deloitte.com

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