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Job Alignment:
As businesses rebound, opportunities exist to make organizations run better and smarter

By Rosemarie Chen and Warren Rosenstein
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OVERVIEW

In the current market environment, there are numerous opportunities for human resources and compensation professionals to continue to add value to their organizations. While a return to more robust revenue levels would obscure a multitude of other problems, lean times force organizations to work smarter and more efficiently, and HR and compensation professionals are uniquely positioned to lead.

Many financial service firms are being required to evaluate their overall cost structure and organizational efficiency. Allocating scarce resources is no longer about trimming excess, rather it is about ensuring the survival of the firm. Difficult staffing reductions must be made in some areas while shifting responsibilities to remaining employees—without sacrificing revenue or service levels. While the majority of financial services firms have made some level of staff reductions, much of this work has been done based on internal relativities (we cut Information Technology staff by 10%!), without having a clear view as to whether this function was over or understaffed to begin with! And many large firms struggle, at a high level, to actually know what all of their employees are doing. How can you measure what resources are applied to a given task, when you can't account for what employees are doing?

Creating a harmonized job alignment structure, including corporate titles, functional titles, and job descriptions is an efficient means of documenting a firm's existing organizational structure. This provides management with the ability to conduct quantitative analysis on how its firm is staffed compared to market norms. This is just the tip of the iceberg in terms of the organizational value of this work, particularly when you add in a well-organized salary structure to the mix.

JOB PROFILE

Having a clear understanding of a firm's organizational structure and the supporting roles is paramount in creating a stable and flexible organizational model for the future. Compensation and HR professionals can create a process and framework that allows for streamlining and maintenance of job descriptions. Job descriptions should include core functional responsibilities, experience guidelines, qualifications, level of supervisory responsibility, key distinctions, FLSA status and physical requirements. This process of creating job profiles allows for accurate assessment of the jobs being performed in the organization and the relative importance of those jobs. In addition, often, some number of jobs can be evaluated for possible consolidation where duplicative responsibilities may exist. This last step can be critical, as many firms have eliminated staff and / or have merged departments / organizations.

CHICAGO
Aon Center
200 East Randolph Street
Tenth Floor
Chicago, IL 60601-6421
Tel: 312.381.9700
Fax: 312.381.9920

DUBAI
Dubai International Financial Center
Gate Village, 2nd Floor, Unit 9
P.O. Box 506706
Dubai
United Arab Emirates
Tel: +97 144 255 747
Fax: + 97 144 255 746

HONG KONG
Unit 1406, 14/F
Low Block, Grand Millennium Plaza
181 Queen's Road Central
Sheung Wan
Hong Kong
Tel: 852.2840.0911
Fax: 852.2840.0966

LONDON
Lloyds Chambers, 5th Floor
1 Portsoken Street
London E1 8BT
England
Tel: 44.207.680.7400
Fax: 44.207.481.3210

NEW YORK
199 Water Street, 12th Floor
New York, NY 10038
Tel: 212.441.2000
Fax: 212.441.1967

STAMFORD
1600 Summer Street
Suite 601
Stamford, CT 06905
Tel: 203.359.2878
Fax: 203.323.9851

TOKYO
Akasaka Kato Building
2nd Floor
22-15, Akasaka 2-chome
Minato-ku, Tokyo 107-0052
Japan
Tel: 813.5549.1850
Fax: 813.5549.1857

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While right-sizing staff is the most apparent benefit of this work in the current environment, the job profile process also holds great benefits for employees. Ill-defined goals are rarely realized, and having a clear set of responsibilities documented for each job makes employees that much more likely to be successful, and have upward mobility in an organization.

Once a hierarchy of job profiles has been constructed, firms can use these to simplify recruiting, as managers can reference a menu of job descriptions and use these as a starting point in discussions with HR generalists, rather than creating ad hoc descriptions.

The standardized job profiles will also serve to create parity across geographic locations and lines of businesses, which helps foster internal mobility.

JOB LEVELING / TITLING

Not all firms have a formal leveling / titling structure (i.e. Analyst, Associate, Director, Vice President, etc.) but where they exist, firms place an inherent "value" on the title that goes beyond compensation. Prestige and recognition are powerful drivers of behavior, and a sense of fairness around how this is measured and achieved is critical. Structures vary from organization to organization, but many firms struggle with defining a clear set of standardized requirements to move from one level to the next. With this in mind, firms may have a significant amount of internal inequity in terms of the qualifications for promotions across the firm and within departments.

A well-designed titling structure provides transparency around career paths within an organization. Without clarity around opportunities and recognition for all types of employees, firms may unconsciously force individual contributors—aka "SME" (subject matter experts)—into managerial positions for which they are not suited. These types of individuals are valuable assets to the firm, but believe that the only means of advancement comes from managing a staff of people. Firms may also reward top revenue producers with management responsibility, since this has been the historic way to reward employees, when many of these revenue producers are better served spending their days generating income, and not managing a team.

A fair, measurable and enforceable framework containing a universal set of criteria metrics should be considered. The framework can be applied across the firm, bringing clarity to each level. While different organizations and different functions may need customized proficiencies, it is possible to build a standardized set of competencies that helps define jobs. The criteria can also be customized to each department's specific needs / skills, while still maintaining the objective of consistent leveling standards for the firm. The leveling framework should be harmonious with the Job Profile, so that the two in tandem define the tasks required (job profile) and quantify the responsibility associated with the job (leveling / titling).

Once this process has been attended to, firms are better able to measure if they are too "top heavy", have greater ease in benchmarking their compensation rates to the market, and often have a simpler year-end process, since typical bonus round analysis is often performed by analyzing groups of employees based on level /title. Firms can also help reduce legal risk by ensuring that staff of like levels are paid comparably across gender, ethnicity, etc.

CHICAGO
Aon Center
200 East Randolph Street
Tenth Floor
Chicago, IL 60601-6421
Tel: 312.381.9700
Fax: 312.381.9920

DUBAI
Dubai International Financial Center
Gate Village, 2nd Floor, Unit 9
P.O. Box 506706
Dubai
United Arab Emirates
Tel: +97 144 255 747
Fax: + 97 144 255 746

HONG KONG
Unit 1406, 14/F
Low Block, Grand Millennium Plaza
181 Queen's Road Central
Sheung Wan
Hong Kong
Tel: 852.2840.0911
Fax: 852.2840.0966

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Lloyds Chambers, 5th Floor
1 Portsoken Street
London E1 8BT
England
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Fax: 44.207.481.3210

NEW YORK
199 Water Street, 12th Floor
New York, NY 10038
Tel: 212.441.2000
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Suite 601
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Tel: 203.359.2878
Fax: 203.323.9851

TOKYO
Akasaka Kato Building
2nd Floor
22-15, Akasaka 2-chome
Minato-ku, Tokyo 107-0052
Japan
Tel: 813.5549.1850
Fax: 813.5549.1857

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PAY STRUCTURE

Once a job / title structure has been built, and employees have been slotted appropriately, it becomes possible to not only effectively assess the resources applied to a given set of tasks, but also manage compensation in a more organized and efficient fashion. Improved salary management is particularly easy when firms link salary bands to the job / title structure. Firms should view market rates, internal relativities and career progression when building salary bands, and try to make the construct as streamlined as possible, without building in excessive costs, or de-linking the bands from market rates.

This process calls for customized solutions—some firms may find a single set of bands work across all Infrastructure areas, while other firms may need a unique set of bands for each functional area or require regional structures.

Firms needing flexibility may use wide or even overlapping bands to accommodate customized decisions by individual managers, while other firms needing structure may use incremental steps, or even flat rates per job / title.

Salary bands should be built with an eye towards the future, so there should be some room for growth in the structure, without having to restate rates annually, however, rates should be reviewed and updated periodically, to ensure market competitiveness.

Once built, firms can expect greater ease in modeling future salary costs, a reduced administrative burden, and a greater level of transparency for their employees around pay advancement. Additionally, a link can be built between a firm's internal job structures and compensation survey benchmark products to facilitate annual reviews of the competitiveness of salary structures/levels.

CONCLUSION

While waiting for business to rebound, there are opportunities to make organizations run better and smarter, with a more motivated and appropriately compensated staff. The backbone of many of these good decisions and processes is a well constructed hierarchy of jobs, levels, job descriptions, and salary bands. The growing pains associated with this work are minimal, but the upside is high. ■

Rosemarie Chen is Head of Infrastructure/Support Services at McLagan. She received an M.A. in Economics from the City University of New York and B.A. in Economics and Computer Science from the University of Rochester.

Rose can be reached at (203) 602-1270 or rchen@mclagan.com.

Warren Rosenstein is Head of Client Business Analysis at McLagan. Mr. Rosenstein works with clients to develop customized analysis strategy across compensation, staffing and productivity. He has provided solutions for a variety of client needs, including compensation plan design, organization structure and salary strategies.

Warren can be reached at (203) 602-1205 or wrosenstein@mclagan.com.