Good Data Better Answers:

How Global Job Leveling Created a Healthier Organization and Minimized Risk

Reviewing job levels is one of the most challenging maintenance projects for a company, but the risks posed by incorrect data, job descriptions, and levels are too important to ignore.
For a global technology company in the Bay area, things seemed to be going well. With three thousand employees in fourteen countries, this company had successfully gone through several mergers and acquisitions over the years and seemed both stable and successful.

This company was initially looking to update their HR information system to Workday, but they weren’t completely confident in their job architecture. In order to avoid a “garbage in, garbage out” situation with their new HR information system, they decided they needed to go through a global job leveling process. Above all, they wanted to make sure that the data they were putting into their new HR system was going to give them the right answers they needed to forecast budgets for next year’s focal review.

But this was no small issue as they had grown and merged over the years, their job classification system was outdated and inaccurate. Instead of reading like a clear system of titles and levels, their job architecture read like a college catalog; it was arbitrary, disorganized, and had little integrity. Just as the company had been successful, its growth had also been messy. With each merger and reorganization, employees had been re-shuffled periodically to adapt to the business’s changing technologies, research and development trends, and profitable sectors.

This resulted in blurring between positions and levels, which affected structure, pay, and organization. More than just a simple technology fix, this company was dealing with a major liability their job classification system was incredibly inefficient, and could potentially result in lawsuits. Even if their classifications were off by only 10%, it could cause significant issues with career paths, salary structures, and market data. One thing was certain: because they hadn’t regularly reviewed their job levels, they were almost certainly overpaying poor performers and worse yet, underpaying key contributors and top performers.
This company knew that they needed help, especially because global job leveling is overwhelming if done in-house. They knew they lacked the bandwidth to do such a large study on their own. On top of that, their global span meant that doing a thorough review of employee levels would be doubly difficult for their internal resources.

OneCompensation Action: A Clear Process and Efficient Fact-Finding

This company contacted us because they knew we had experience with global job leveling. Plus, they had a timeline of less than three months, which meant they needed someone who could efficiently gather and process data within a tight schedule.

In order to handle a job that typically takes three or four times as long, we first created an engagement strategy, which included a rollout plan, along with a communication and tool platform to facilitate classification review. That enabled us to validate the current classification system with key stakeholders, all within the two and a half month schedule. With a carefully strategized plan, we were able to get feedback we needed to validate over 99% of the organization’s levels and positions.

The initial results of our survey were astounding. Thirty-five percent of individual and management roles changed in either job title or level. The survey also revealed significant issues relating to the current system’s titles and their industry matches. For example, 9% of employees that were classified as people managers had no direct reports. On top of that, our research determined that 28% of professional employees needed to go down one industry level, and 11.5% of management employees needed to go down one level, as well.

But more importantly, about 19% of employees surveyed went up a level to reflect their responsibilities and contributions. Overall, our work provided some much-needed insight to the company’s job architecture, and significantly impacted job matches to the current grading system. As a result, salary ranges needed to be redesigned to accommodate the actual position to the market and compensation methodology of organization.
A state-of-the-art HR information system can do a lot of wonderful things, but it can’t do anything if the data is wrong. In this case, we knew that having the right tools would be useless unless the company’s information about their job architecture was correct.

As a result of our work, we were able to help this company better align titles and levels to industry standards. It gave them a clear picture of their true market position and allowed them to better manage and budget their annual compensation planning programs. Whereas they’d been struggling with disengagement and retention issues caused by their system, we left them in a stronger position, able to accurately assess and classify employees. With a clear system in place, this company also mitigated their risk in dealing with inequity issues.