



HRDIGITALPLAYGROUND • JOB ARCHITECTURE 101

Connecting to Pay

How job architecture powers every pay decision, from market data to fair raises.

IN THIS DECK

Three questions

Market pricing

Salary structures

Pay ranges

Pay within a range

Job ads

Pay equity

Rewards



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Before You Start

What you will be able to do, the example we use, and the words you will meet.

YOU WILL BE ABLE TO

- ✓ Tell job size, market pay, and pay design apart
- ✓ Explain how jobs are matched to salary surveys
- ✓ Describe how a salary structure and ranges are built
- ✓ Show how job ads and pay equity checks use the architecture
- ✓ Explain what can decide pay within a range

MEET THE EXAMPLE



Brightside Bakery

About 350 people making fresh bread and cakes. It grew fast without a plan for its jobs.



Bakery plant



20 shops



Delivery team



Head office

Made-up example

WORDS YOU WILL MEET

Market pricing

Finding what other employers pay for comparable work

Benchmark job

A common job with reliable survey data

Salary structure

A set of pay ranges for grades

Midpoint

The middle of a range, set using market data and pay policy

Compa-ratio

Pay divided by the midpoint

The colored tag on each page tells you what it is: an idea, an example, a practice, a warning, or a check.

Pay Needs a Map

Every common pay question depends on knowing which job someone does and how big it is.

THE PAY QUESTION

WHAT IT NEEDS FROM THE ARCHITECTURE

“What does the market pay for this job?”



A matched job

Its level

“What range should we post in the job ad?”



The job's grade

Its pay range

“Is this raise or promotion fair?”



Current level

Next level

Pay range

“Are we paying equally for similar work?”



Family

Level

“What bonus target fits this job?”



Level

Track

Every pay decision starts with the job. Without clear jobs and levels, pay gets set one person at a time.

Three Different Questions

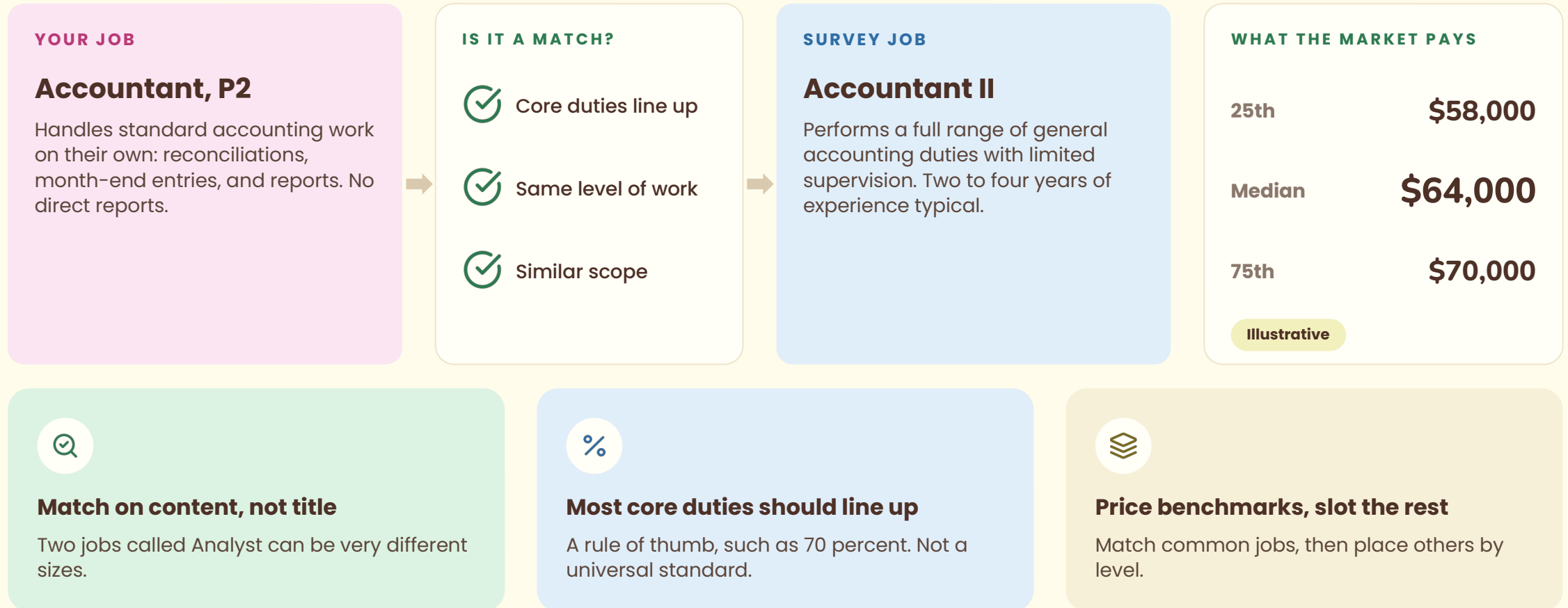
Job size, market pay, and pay design are different questions. Good pay decisions use all three.



Leveling sizes the job inside. Market pricing looks outside. Pay design turns both into pay opportunities.

Matching Jobs to Salary Surveys

Market pricing compares your job with the same job at other companies, based on the work.



Match on the work and the level, never on the title alone. That is what makes market data trustworthy.

From Market Data to a Salary Structure

Six steps turn market data for a few jobs into ranges for every job.



- 1 Match benchmark jobs** To reliable market data
- 2 Plot reference points** What the market pays for each
- 3 Choose the pay policy** For example, the market median
- 4 Draw the policy line** A smooth line across the grades
- 5 Design midpoints and ranges** Around that line
- 6 Slot the other jobs** They inherit their grade's range

Market data informs the structure. Pay policy positions it. The architecture carries it to every job.

Common Ways to Connect Levels to Pay

Level describes the job. How levels connect to grades and ranges is a design choice.



ONE GRADE PER LEVEL

Each level gets its own grade and range. Simple to explain.

Brightside



BROAD BANDS

Several levels share one wide band. More flexibility, fewer grade changes.



GEOGRAPHIC STRUCTURES

Different ranges for higher and lower cost locations.



EMPLOYEE CATEGORY

Separate structures, for example for hourly and salaried staff.



SALES STRUCTURES

Base pay plus incentive pay, with its own targets.



EXECUTIVE STRUCTURES

Designed separately, often with long-term incentives.



MARKET PREMIUMS

Extra pay for specific markets or hard-to-hire skills.



WHAT STAYS THE SAME

The job's level. It describes the work in every design.

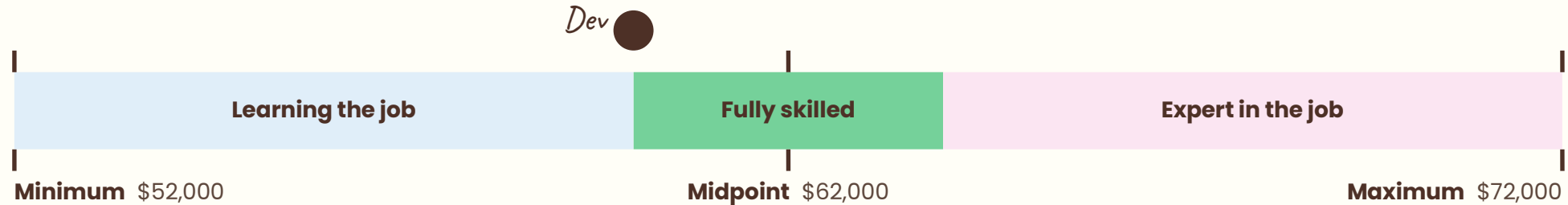
The level stays the same in every design. Only the pay structure on top changes.

Anatomy of a Pay Range

Minimum, midpoint, maximum, and what each part of the range is for.

Illustrative: Brightside grade 4

One common way to read a range



RANGE SPREAD

From minimum to maximum

For example, 40 to 60 percent for professional jobs. Designs vary.



COMPA-RATIO

Pay divided by the midpoint

Dev earns \$59,000. The midpoint is \$62,000. His compa-ratio is 0.95.



WHAT IT IS FOR

Room to grow in the job

Pay can move through the range without a new job or title.

The range is the pay opportunity for the job. Where each person sits depends on pay policy.

What Decides Pay Within a Range

Two people in the same job can be paid differently for legitimate reasons.



Experience

Relevant to the job



Proficiency

In the skills it needs



Performance

Sustained over time



Internal equity

With peers in the job



Geography

Where the work is done



Scarce skills

What the market pays more for



Hiring market

Conditions when someone joins



Company policy

Written rules, applied the same way



Which factors count, and how much, depends on pay philosophy and the law. Keep them job-related and apply them consistently.

Pay within a range can reflect several job-related factors, set by pay philosophy and the law.

Pay Ranges in Job Ads

Where a posted range comes from, traced back through the job architecture.

NOW HIRING

Shop Manager

Brightside Bakery · Full time

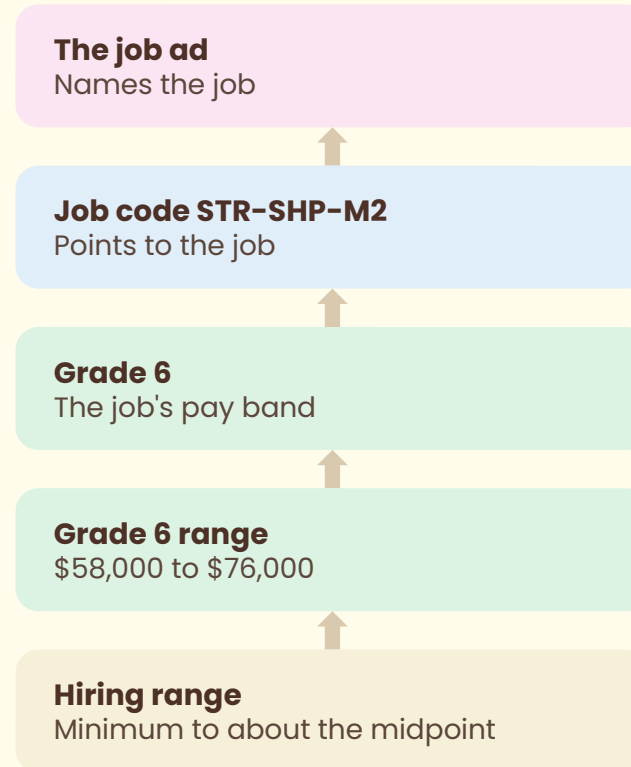
PAY RANGE
\$58,000 to \$66,000 a year

Run one shop, lead a team of eight, and keep customers coming back for fresh bread every day.

Benefits: health coverage, retirement plan, paid time off

Illustrative

WHERE THE NUMBER COMES FROM



WHAT GOOD LOOKS LIKE

- ✓ A real range the company expects to pay
- ✓ Tied to the job's grade, so every ad for the job matches
- ✓ Location pay zones applied the same way everywhere
- ✓ Ready to share with current employees who ask

A posted range is only as consistent as the job and grade behind it.



Pay Equity: Comparing Like With Like

A pay equity check compares people doing similar work at a similar level, then explains or fixes the gaps.

ONE COMPARISON GROUP

Accounting family, level P2



Grade 4 range

● Group A

● Group B, for example by sex

Each dot is one person in the same job family and level.

1

Group similar work

Same family, same level. The architecture builds the groups.

2

Compare pay

Look at pay within each group.

3

Explain the differences

Use job-related reasons like experience in the job, performance, or location.

4

Fix what is left

Raise pay where a gap has no fair explanation.

Pay equity checks depend on grouping similar work consistently. A job architecture provides that grouping.



Levels Drive Bonuses, Raises, and Promotions

The level of a job shapes almost every reward decision, not just base pay.

Illustrative



BONUS TARGETS

Often a percent of pay by level

Jobs at a level usually share a target, rising with level. Sales plans differ.

P4: 10%

M3: 15%



ANNUAL RAISES

Performance and range position

Strong performers paid low in their range get the biggest raises. This grid is called a merit matrix.

Merit matrix



PROMOTIONS

A bigger job and a higher range

Pay moves up with the job, often by a standard amount or at least to the new minimum.

New grade

New range



LONG-TERM INCENTIVES

Usually start at senior levels

Eligibility for company shares or long-term bonuses is often defined by level.

Senior levels

A MERIT MATRIX

Raise by performance and place in the range

	Low in range	Middle	High in range
Exceeds	6%	5%	3%
Meets	4%	3%	2%
Below	0%	0%	0%

A PROMOTION, STEP BY STEP

Dev moves from Accountant, grade 4, to Senior Accountant, grade 5. A standard 8 percent promotion increase takes him from \$59,000 to about \$63,700, inside the new range.

When reward rules follow levels, similar jobs are treated alike no matter who manages them.

When Pay Bends the Structure

Four shortcuts that fix one pay problem today and break the architecture for everyone.



SHORTCUT

Leveling a job up to pay someone more



BETTER

Use the range, a market adjustment, or a retention bonus.



SHORTCUT

Creating a new grade for one person



BETTER

Use an existing grade. Log the exception.



SHORTCUT

Matching surveys by title



BETTER

Match on duties and level, not the name.



SHORTCUT

Letting ranges go stale



BETTER

Refresh market data on a regular cycle, often yearly.

Fix pay problems with pay tools. Keep levels true to the work, or the whole structure stops meaning anything.

Price This Job

Brightside's Marketing Specialist runs standard campaigns on their own. No direct reports.

1 WHICH SURVEY JOB IS THE MATCH?

A**Marketing Coordinator**

Supports campaigns under close direction. Entry level.

B**Marketing Specialist II**

Runs standard campaigns on their own. Two to five years of experience.

C**Marketing Manager**

Leads a team of marketers and owns the plan.

2 A NEW HIRE WITH 3 YEARS OF EXPERIENCE CAN DO THE FULL JOB ON DAY ONE. WHERE SHOULD THE OFFER SIT?

A

Near the minimum

B

Near the midpoint

C

Near the maximum



Decide on your answers before you turn the page. The model answers and the reasons are on the next page.

Match on the work, then place each person in the range by how ready they are for the job.



Price This Job: Model Answers

Compare with what you decided. The reason matters more than the label.

1 Which survey job matches?

B, Marketing Specialist II

Same duties, independence, and experience. A is too junior. C leads a team.

2 Where should the offer sit?

B, near the midpoint

Fully skilled from day one. Pay policy and the hiring market can move it within the range.

Match on the work, then place each offer by readiness for the job and the pay policy.



Quick Check

Three questions. Answer from memory first, then look back if you need to.

1 QUESTION 1

What should a salary survey match be based on?

- A** The job title
- B** The duties and the level
- C** The person's current pay

2 QUESTION 2

A compa-ratio of 1.10 means pay is...

- A** 10 percent above the midpoint
- B** 10 percent below the minimum
- C** 10 percent above the maximum

3 QUESTION 3

A great performer is paid at the top of the range. What is the best fix?

- A** Move the job up a level
- B** A bonus now, or a promotion when a bigger job opens
- C** Create a new grade for them

Answers, with the reason behind each one, are on the next page.

Remember

The whole deck in three lines, plus the quiz answers.



THREE THINGS TO KEEP

- 1** Level sizes the job, the market prices comparable work, and pay design connects the two.
- 2** Match jobs to the market on the work and the level, never the title.
- 3** Fix pay problems with pay tools. Keep levels true to the work.

Clear jobs, fair pay.



CHECK YOUR ANSWERS

1B

Titles vary between companies. Duties and level are what make it the same job.

2A

Compa-ratio is pay divided by the midpoint, so 1.10 is 10 percent above it.

3B

Reward the person, keep the job's level true to the work.

A consistent job architecture makes pay decisions easier to make, explain, and check.





Job Architecture 101: Connecting to Pay

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