



Job Grading & Skill Management in Agile Organizations

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Challenges of Transformation and Agile Governance | Development of a Flexible and Agile
Job Architecture | Development of a Skill-Based Organization

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1 Challenges of the Transformation and Agile Governance

The organizational environment has changed significantly for the topic of job evaluation.

- 1-1 Companies must make the existing organization fit for the future and reinvent themselves at the same time.
- 1-2 Different situations of the organization units require different transformation strategies.
- 1-3 The present structures are often mixed with agile forms of organization and collaboration.
- 1-4 The evolution towards an agile organization requires a holistic transformation strategy.
- 1-5 The transformation strategy is implemented on sight and with the help of digital tools.

2 Development of a Flexible and Agile Job Architecture

Modern work & job architectures support the development of agile organizations.

- 2-1 HR core processes support the development of a new work & job architecture.
- 2-2 Job grading maps the heterogeneity and dynamics of different organizations.
- 2-3 The multiple aspects of organizational agility are incorporated into job grading.
- 2-4 The characteristics of agile roles are defined and evaluated on an organization-specific basis.
- 2-5 The new agile roles are integrated into the existing grading structures.

3 Development of a Skill-Based Organization

Skill management provides the key to successful workforce transformation.

- 3-1 The job landscape will continue to change - completely new jobs will emerge, old ones will disappear.
- 3-2 Skill requirements are changing continuously – the half-life of skills today is five years.
- 3-3 The identification of organizational capabilities required in the future is of strategic importance.
- 3-4 The gap analysis of competency fields provides the basis for workforce transformation.
- 3-5 AI-powered systems support skills management at the job and employee level.

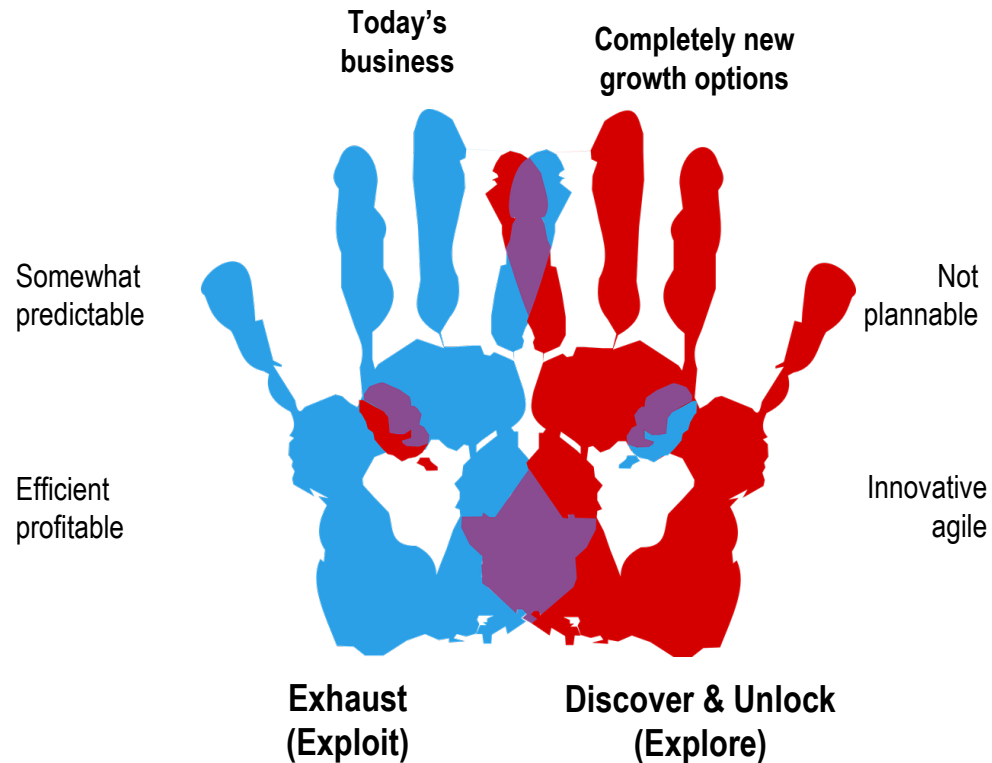
1 Challenges of Transformation and Agile Management

The organizational environment has changed significantly for the topic of job evaluation.

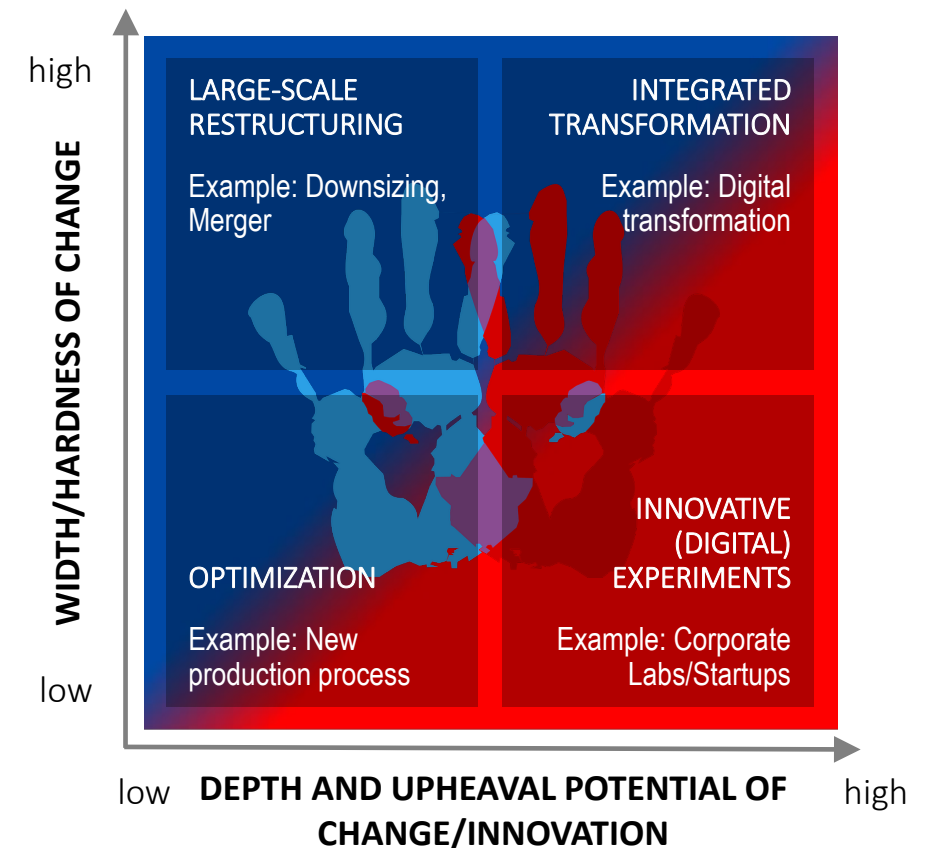
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1-1

Companies must make the existing organization fit for the future and reinvent themselves at the same time



Multidextre change scenarios -
from classic to agile and innovative



1-2

Different situations of the organization units require different transformation strategies

OPTIMIZATION

The organization is transaction-oriented and characterized by stable processes and moderate changes.

Scenario 1

Strategy:

Exploit - Optimization and automation of existing structures and processes.

Requirements, e.g.:

- Cost and efficiency programs
- Develop digital automation skills.
- Create and sustain continuous improvement culture.

RESTRUCTURING

The organization has reached the zenith of its development and needs to be restructured.

Scenario 2

Strategy:

Exploit² - Radical adaptation of existing structures, systems and processes. Restructuring, right-sizing, merger or divestment.

Requirements e.g.:

- Turnaround, PMI, Employability/ Reskilling Program
- Executive roundtable, orientation workshops, placement workshops.
- Individual Change & Career Coaching

INNOVATION

The organization is under increased pressure to innovate and is starting to become more agile and heterogeneous.

Scenario 3

Strategy:

Explore - Experimenting with new structures, systems and processes - Digital Labs, Corporate Startups, New Work.

Requirements e.g.:

- Redefine the understanding of leadership and the role of central functions.
- Agile experiments, interface conflicts or OKR framework
- Multifaceted organizational and employee development

INTEGRATED TRANSFORMATION

Threat in disruptive industry environment while creating new growth opportunities through massive technology trends.

Scenario 4

Strategy:

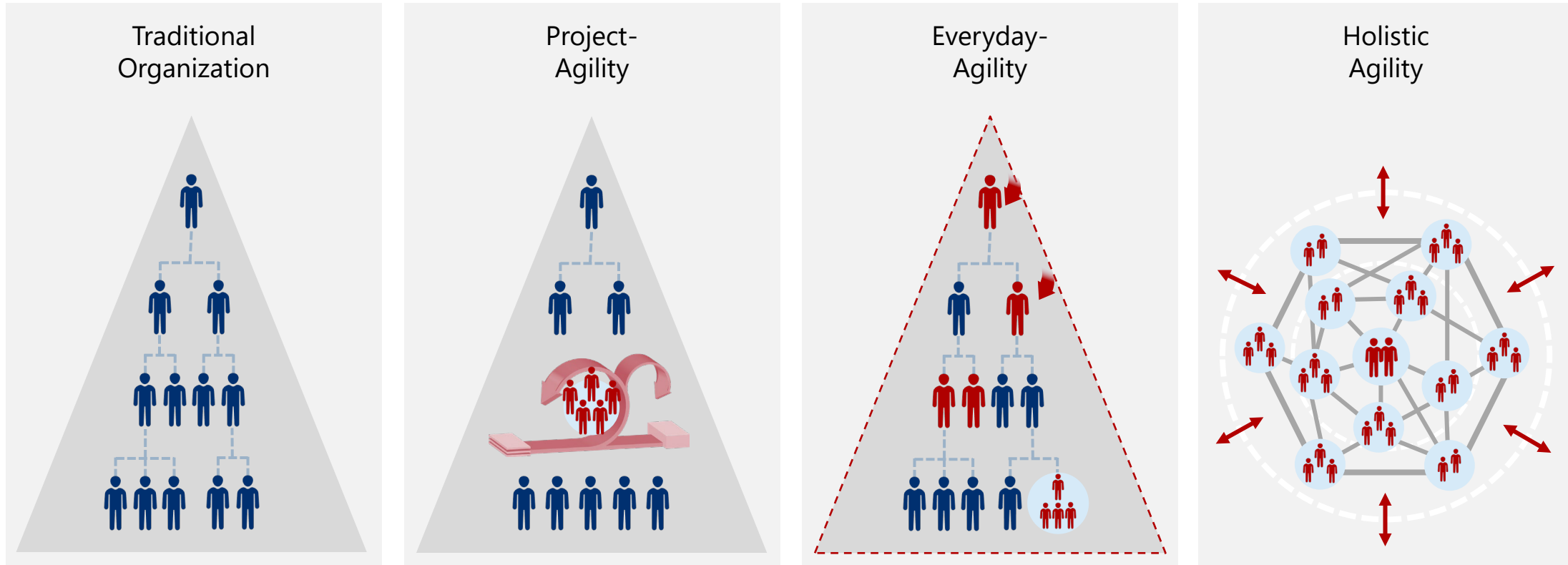
Exploit and Explore - Efficiently optimize classic structures while developing new business models. Future fitness through interlocked change architecture.

Requirements e.g.:

- Exponential transformation
- Company-wide agilization
- Organizational concepts for the future
- Game Changer Program

1-3

The present structures are often mixed with agile forms of organization and collaboration



Extent of agility

Importance of the hierarchy

1-4

The development towards an agile organization requires a holistic transformation strategy

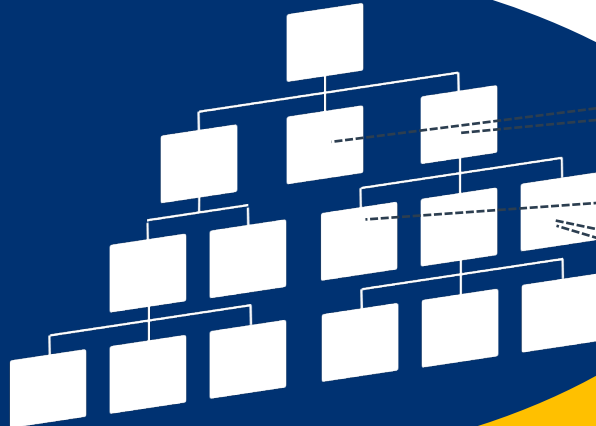
Hierarchical organization

Typical environment

- simply
- complicated

Features/constraints

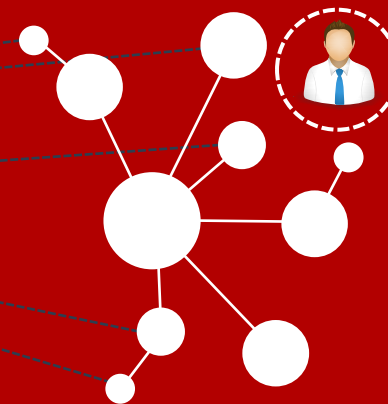
- Efficiency/profitability
- Isolation (silo thinking)
- Activity orientation
- Product quality & process reliability
- Error prevention
- Clear reporting lines
- Central responsibility
- Strategic personnel planning



Agile Transformation

Hybrid forms as a transitional solution:
Orientation to value chains and benefits,
Increase in decentralized responsibility, cooperative work in autonomous teams

Customer
Centricity



Agile organization

Typical environment

- complex
- chaotic

Features/success factors

- Customer needs (Purpose)
- Collaboration
- End-to-end value creation
- Innovative use cases & market attractiveness
- Error and learning culture
- Self-Management
- Decentralized responsibility
- Flexible deployment of personnel

Vision and Goals

- Customer-centric vision (Purpose)
- Visionary roadmap
- Disruptive innovation
- Sustainability, growth, satisfaction and profit

Strategy

- Ambidexterity
 - Efficiency/profitability
 - Innovation
- New business model
- Dynamic ecosystem

Structure

- Cross-organizational cooperation
- Agile cells and self-organized teams with a focus on the customer

Culture

- Agile principles
- Learning culture
- Culture of trust
- Agile leadership
- Co-Creation

People

- Purpose
- Personal perspectives
- Learning Management
- Recruiting/Onboarding
- Empowerment

Processes

- Qualification
- Collaboration
- Innovation
- Agile Transformation
- Digital transformation

Products

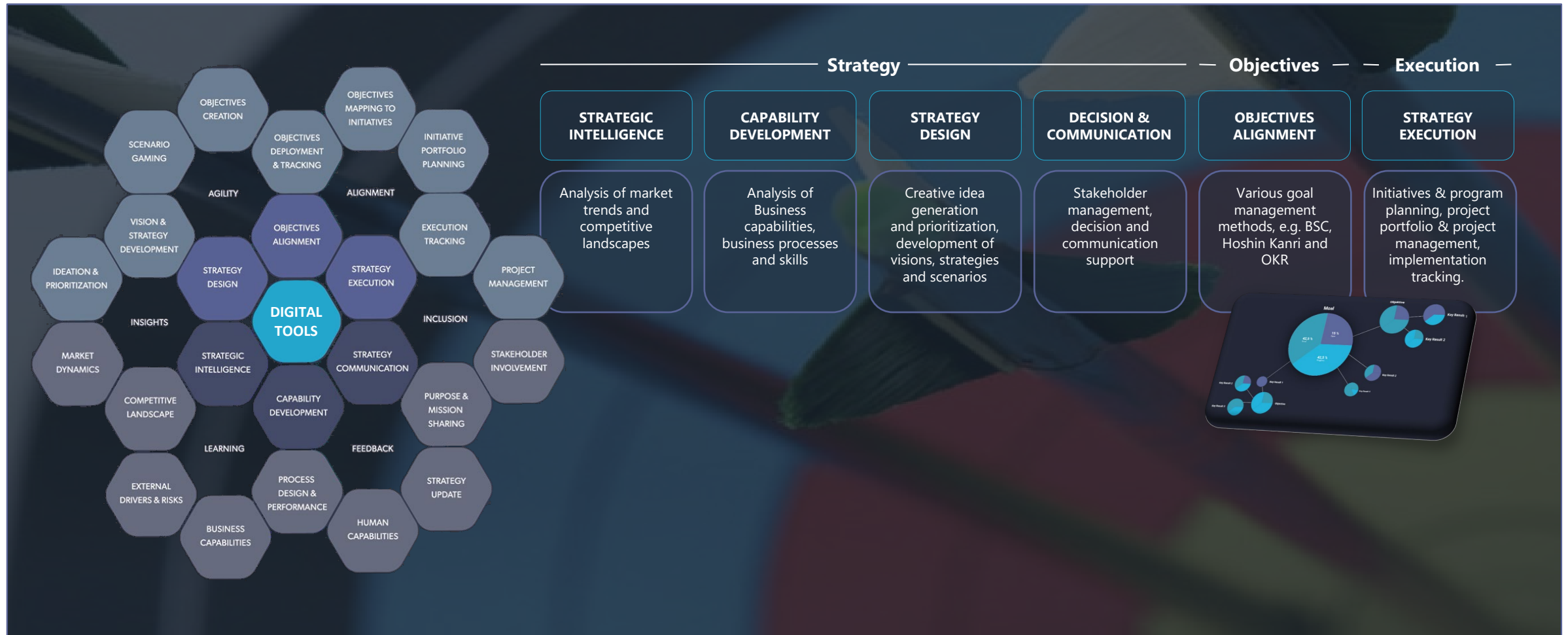
- Streamlining the existing portfolio
- Development of innovative solutions and services
- New product lines

Customers

- Create new types of customer experiences
- New potentials
- New networks
- New collaborations

1-5

The transformation strategy is implemented on sight and with the help of digital tools



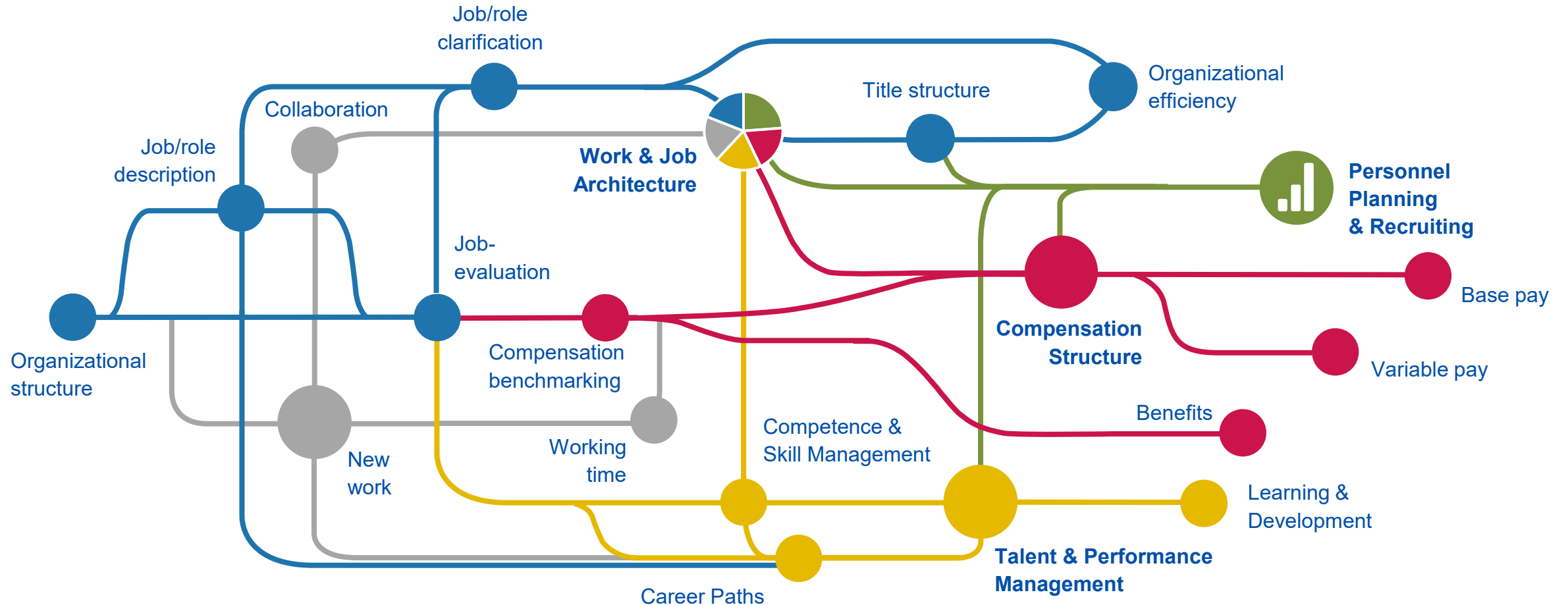
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2-1

The HR core processes support the development of a new work & job architecture



Job grading maps the heterogeneity and dynamics of different organizations









CONSERVATOR	INNOVATORS	EXPANDER	INTRODUCTION
The organization is characterized by stable structures and moderate changes.	The organization is becoming increasingly agile and heterogeneous.	The organization is expanding; structures and systems need to be adapted without hindering further growth.	The organization has reached a scale that requires a systematization of structures and HR systems.
Scenario 1	Scenario 2	Scenario 3	Scenario 4
Strategy: Optimization of existing structures and processes.	Strategy: Experimenting with new structures, systems and processes - Job Leveling 4.0	Strategy: Replicating or adapting existing structures, systems, and processes.	Strategy: First-time introduction of job leveling with multiple application areas.
Requirements: <ul style="list-style-type: none"> ▪ Choose cautious approach without making big waves ▪ Self-critically scrutinize the quality of internal service performance ▪ Improve acceptance and efficiency of the methodology and processes used 	Requirements: <ul style="list-style-type: none"> ▪ Allow and understand increasing agility and complexity ▪ Establish agile control processes and work models ▪ Define and evaluate agile roles 	Requirements: <ul style="list-style-type: none"> ▪ Accompany and support the growth course ▪ Identify need for change ▪ Review existing structures, methods and processes, adjust if necessary and expand to growth areas 	Requirements: <ul style="list-style-type: none"> ▪ Choose a lean, agile and transparent approach ▪ Establish appropriate job architecture and job levels ▪ Implement multiple application areas consistently

The manifold aspects of organizational agility are incorporated into job grading

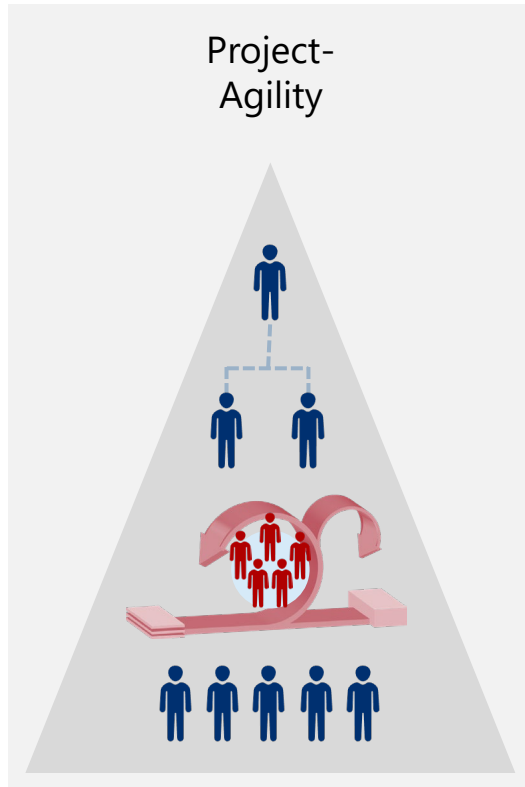
Factors of organizational agility with an impact on job evaluation

Focus & Purpose	Assignment and Skill Orientation	Interdisciplinary Teams	Adaptive Planning and Short Cycles	Self-Controlling Teams	Intensive Communication	PoC, MVP, Prototypes & Pilots	Co-Creation with Customers
Focus on strategically important initiatives and a few parallel projects with an inspiring purpose	Roles and assignments are advertised in a demand-oriented, transparent and skill-based manner	Specialists from different disciplines and functional areas work on joint solutions	Self-controlling teams plan on sight and set their priorities in agile sprints independently (e.g.: with the help of OKR)	The teams decide independently and jointly on procedures, methods and tools	Team members communicate systematically and regularly at short intervals (e.g. weekly, Kanban boards)	Permanent feedback loops in development: proof of concept, minimum viable products, prototypes and pilots	Involvement of the internal/external customer in the entire development process

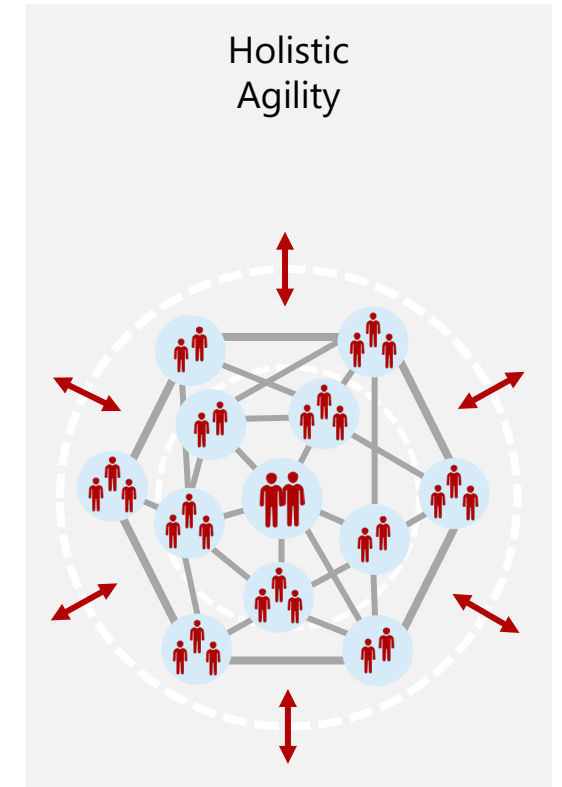
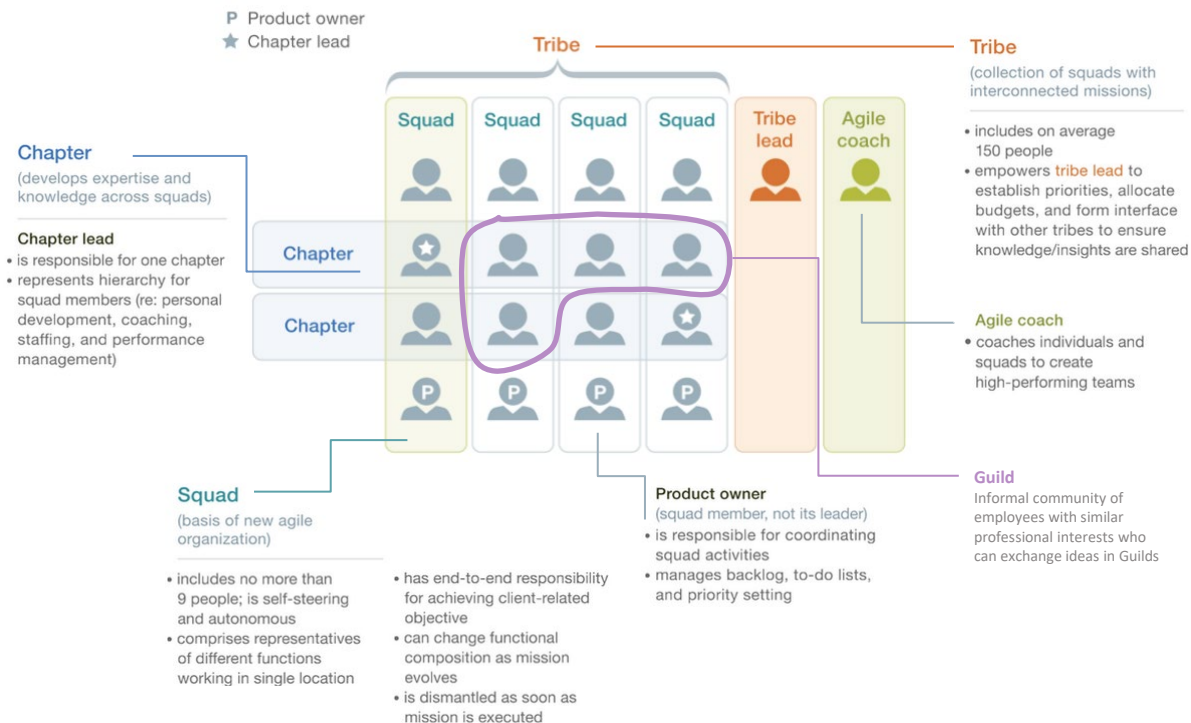
Consideration of agile aspects in job evaluation

							
Expertise & professional experience	Planning & control contributions	Communication effect	Problem Solving & Innovation Contributions	Complexity management	Decision contributions	Resources & cost responsibility	Operational & strategic results contributions
<ul style="list-style-type: none"> Agile mindset of central importance Agile/digital competence Learning Agility Knowledge sharing in professional communities (chapters) and voluntary communities (guilds) 	<ul style="list-style-type: none"> Joint planning and priority setting in the (squad) team Focusing e.g. with OKR - Objectives & Key Results Short planning cycles and sprints Self-organization 	<ul style="list-style-type: none"> Transparency Systematic, regular communication Permanent feedback loops 	<ul style="list-style-type: none"> Vision & Purpose Customer centricity Co-creation PoC, MVP, prototypes and pilots Innovative solutions & market attractiveness Error and learning culture 	<ul style="list-style-type: none"> Agile methods/ Design Thinking Agile Sprints Interdisciplinary collaboration Permanent feedback loops Error and learning culture 	<ul style="list-style-type: none"> Flat hierarchy Involvement of the customer in the entire process Self-controlling teams Shared decisions 	<ul style="list-style-type: none"> Decentralized responsibility Joint resources development and shared responsibility Technical/project responsibility People Lead Staff development and training in Chapters and Guilds 	<ul style="list-style-type: none"> Cross-functional results contributions Strategic outcome accountability of the Tribe Lead and Chapter Lead Operational responsibility for results in the self-organized squad End-to-end value creation

The characteristics of agile roles are defined and evaluated on an organization-specific basis



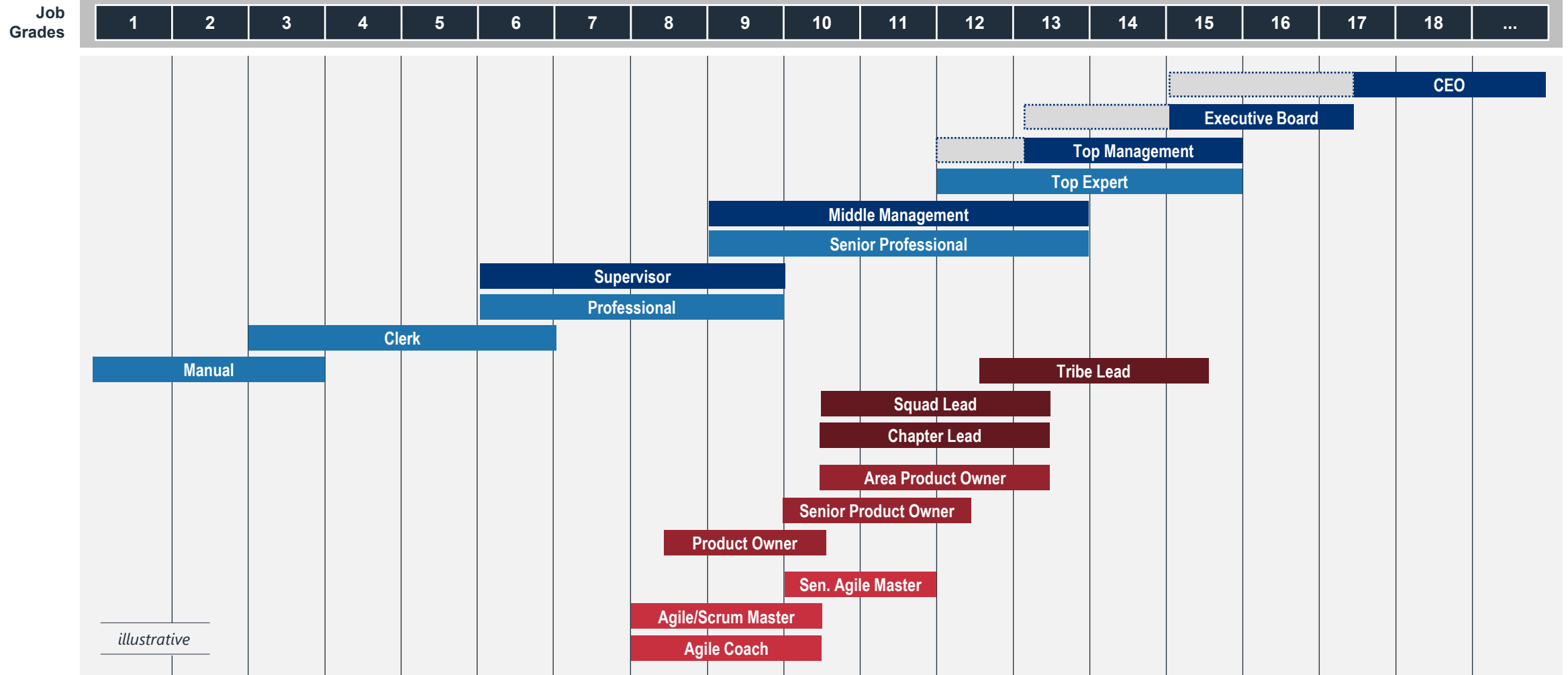
Example: The Spotify model of the agile organization



Extent of agility

2-5

The new agile roles are integrated into the existing grading structures



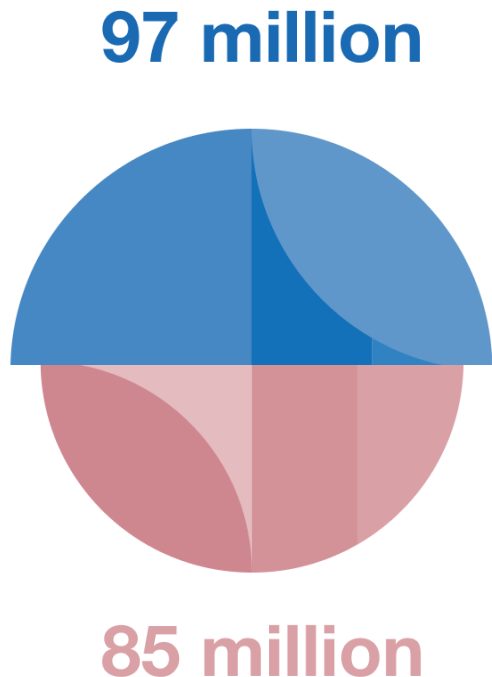
3 Development of a skill-based organization

Skill management provides the key to successful workforce transformation.

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3-1

The job landscape will continue to change - completely new jobs will emerge, old ones will disappear



➤ Increasing demand

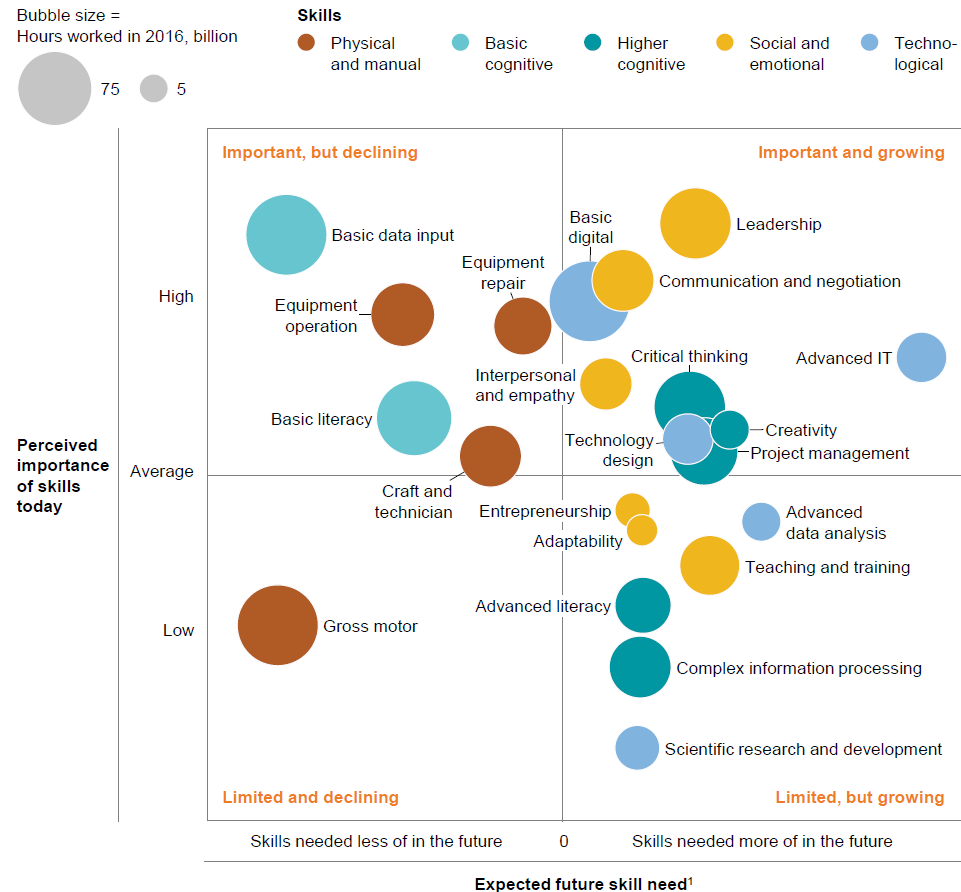
1	Data Analysts and Scientists
2	AI and Machine Learning Specialists
3	Big Data Specialists
4	Digital Marketing and Strategy Specialists
5	Process Automation Specialists
6	Business Development Professionals
7	Digital Transformation Specialists
8	Information Security Analysts
9	Software and Applications Developers
10	Internet of Things Specialists
11	Project Managers
12	Business Services and Administration Managers
13	Database and Network Professionals
14	Robotics Engineers
15	Strategic Advisors
16	Management and Organization Analysts
17	FinTech Engineers
18	Mechanics and Machinery Repairers
19	Organizational Development Specialists
20	Risk Management Specialists

➤ Decreasing demand

1	Data Entry Clerks
2	Administrative and Executive Secretaries
3	Accounting, Bookkeeping and Payroll Clerks
4	Accountants and Auditors
5	Assembly and Factory Workers
6	Business Services and Administration Managers
7	Client Information and Customer Service Workers
8	General and Operations Managers
9	Mechanics and Machinery Repairers
10	Material-Recording and Stock-Keeping Clerks
11	Financial Analysts
12	Postal Service Clerks
13	Sales Rep., Wholesale and Manuf., Tech. and Sci.Products
14	Relationship Managers
15	Bank Tellers and Related Clerks
16	Door-To-Door Sales, News and Street Vendors
17	Electronics and Telecoms Installers and Repairers
18	Human Resources Specialists
19	Training and Development Specialists
20	Construction Laborers

3-2

Skill requirements change continuously - the half-life of skills today is five years



¹ Difference between % of survey respondents that expect to need a skill more and % of survey respondents that expect to need it less.

FUTURE LEARNING NEEDS Skills in greater demand in the future

Social and emotional skills

- Leadership
- Communication and negotiation
- Entrepreneurship
- Adaptability
- Teaching and training
- Interpersonal and empathy

Higher cognitive skills

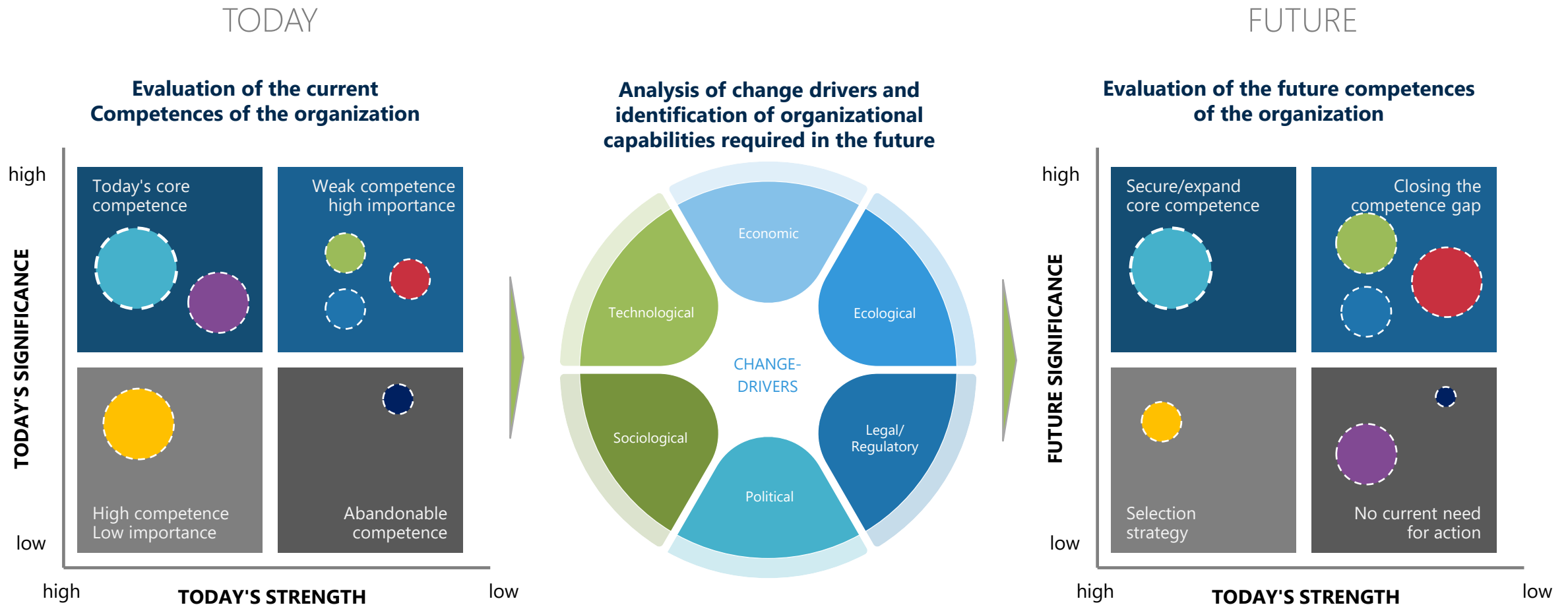
- Critical Thinking
- Creativity
- Project management
- Complex information processing
- Advanced literacy

Technological skills

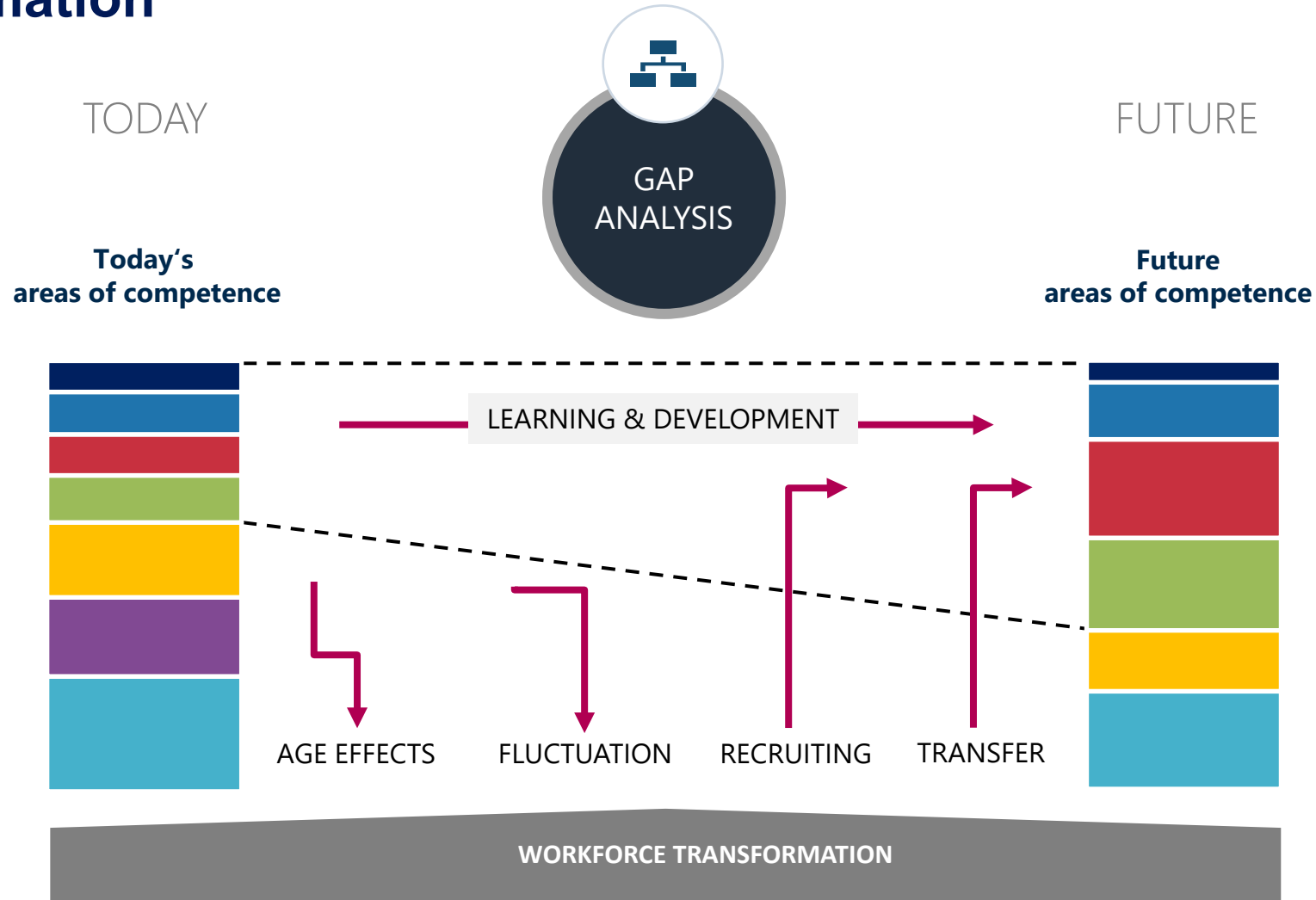
- Basic digital
- Advanced IT
- Technology design
- Advanced data analysis
- Scientific research and development

3-3

The identification of organizational capabilities that will be required in the future is of strategic importance

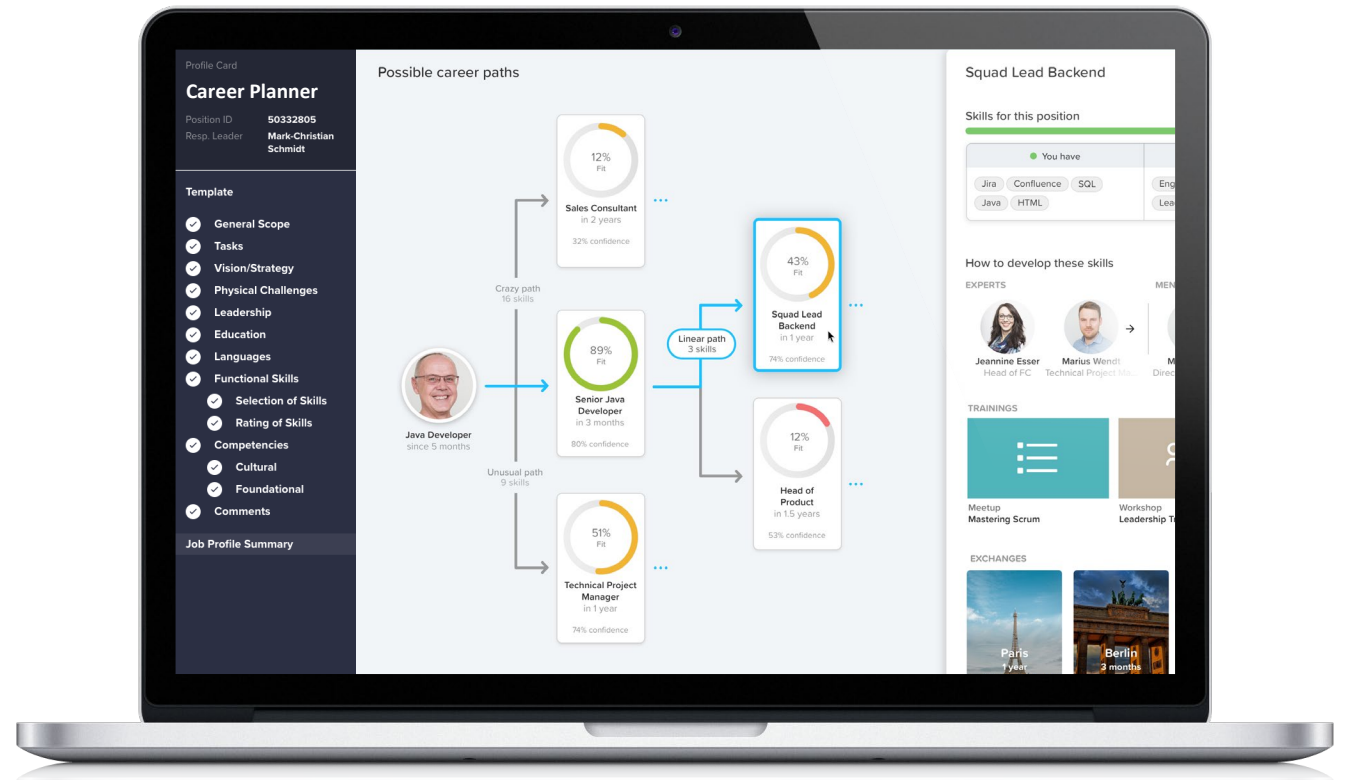


The gap analysis of competence areas provides the basis for workforce transformation



3-5

AI-powered systems support skills management at the job and employee level



About us

CHANGELEADERS: strategy & organization development



ENERGIZING TRANSFORMATION & CHANGE

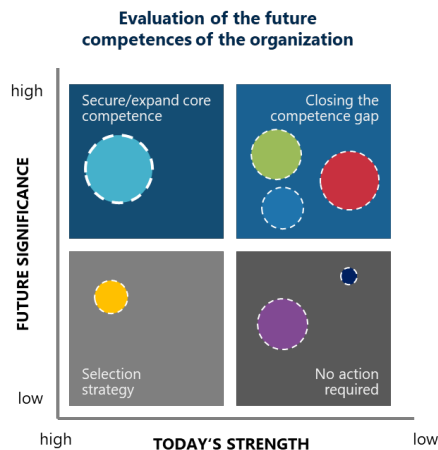
We develop visions and align business models, strategies & organizations for the future. We accompany our clients in dynamic growth, merger and restructuring phases.

Our customers are global players, large multinationals and hidden champions as well as medium-sized companies, IT service providers, public sector organizations and NGOs.

OUTSTANDING COMPETENCE AND DOER MENTALITY WITH GREAT PASSION FOR INNOVATION AND THE FUTURE.

As consultants, bridge builders, co-creation designers, coaches and interim managers, we bring a broad spectrum of national and international line and project experience to the table.

In doing so, we always rely on an intelligent mix of analog & digital solutions.

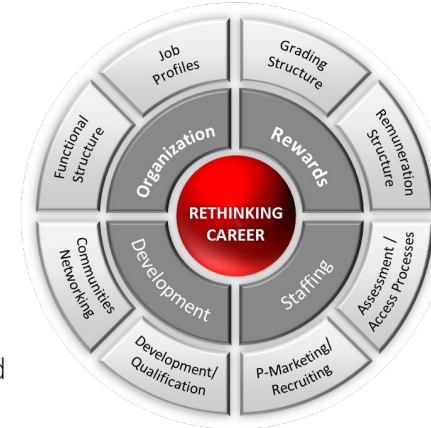
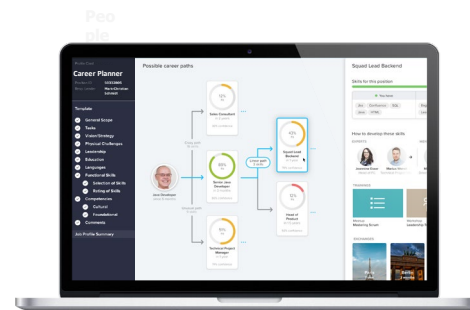


AGILE GOVERNANCE & ORGANIZATIONAL DEVELOPMENT

OKR is the agile operating system for modern organizations. The process integrates agile elements and swarm intelligence into business development.

We combine the best of approaches such as MbO, 4DX and S.M.A.R.T. Goals and offer with the introduction of OKR a holistic approach to combine all the essential elements of future-proof performance management.

The planning, review and feedback processes are supported with digital tools.



DECODING FUTURE CAREER LANDSCAPES

The continuous development of competencies and skills determines the future success of companies as well as the employability and careers of their employees.

We support you in the identification of future success-critical corporate competences and the operational implementation of skills management through to the development of talent market-places and career landscapes.

We are rethinking careers: We develop hybrid career landscapes and learning paths and put career development in the hands of employees.

DIGITAL TALENT SOLUTIONS WITH COGNITIVE AND ARTIFICIAL INTELLIGENCE

Our team combines proven expertise in Business Strategies, Organization & Talent Management and Workforce Analytics.

We support the selection and implementation of innovative tools and AI-based solutions for OKR and Talent Management.



BAUMGARTNER & PARTNER: job grading and pay



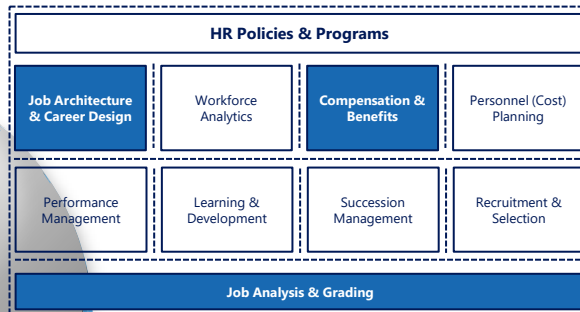
PROVEN FOR DECADES IN THE DAX SECTOR, MEDIUM-SIZED COMPANIES AND THE PUBLIC SECTOR

Our current job grading system has been in use for many years at DAX corporations and in medium-sized companies worldwide as well as in public sector organizations, namely in the classified/exempt area and within management.

IN USE WORLDWIDE - ON-SITE IMPLEMENTATION

Our team of consultants has HR and organizational consulting expertise as well as on-site job evaluation experience in Europe, America and Asia.

We conduct the assessment workshops in presence on site, online or hybrid.



CUSTOMIZATIONS

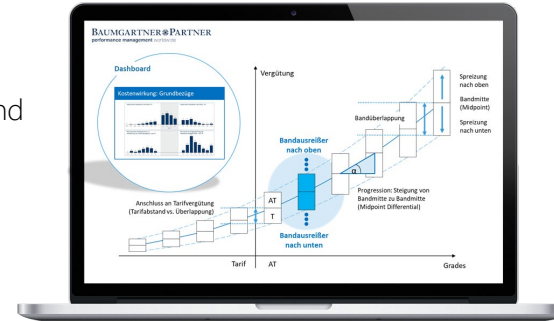
We adapt our approach and methodology to the needs and situation of our customers.

We are familiar with the established job evaluation methods in the market and have experience in designing simplified generic as well as customized (web) solutions.



JOB GRADING 4.0

We are always open for further developments and completely new solutions. We are ready with our know-how to develop a new vision for job evaluation and to experiment with new solutions wherever it makes sense.



EVALUATION OF AGILE ROLES

Our job grading reflects the heterogeneity and dynamics of different organizations. The diverse aspects of organizational agility are incorporated into the job grading. The characteristics of agile roles are defined and evaluated on an organization-specific basis and integrated into the existing grading structures.

JOB EVALUATION IN CO-CREATION WORKSHOPS

As a rule, we actively involve top management, lower management levels, employees and works councils in the job evaluation process.

PAY DESIGN & GOVERNANCE

Job grading provides the basis for internal compensation analyses and external compensation benchmarks.

We optimize base pay structures, design collective agreements as well as short- and long-term incentive plans (STI/LTI).

We support the drafting of policy statements as well as the definition of governance processes for the maintenance and adjustment of grading and compensation structures.

REMUNERATION OF MANAGEMENT BOARD MEMBERS AND SUPERVISORY BOARD MEMBERS

Our experts are familiar with the current trends, best practices and special features of board compensation. In our expert opinions on the appropriateness and marketability of board compensation, we use benchmark data from a company-specific group of comparable companies.

CHANGELEADERS CONTACTS

Place and date

Stuttgart 06/2022

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