TOPIC: EMPLOYEE REWARDS

How to Use Job Architecture as Part of Your Pay Transparency Strategy

From Pay Disclosure to Explainable Decisions

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Pay transparency is more than a disclosure exercise. Once organizations reveal more about pay, they must be prepared to explain what the information means and how decisions are made.

In this instalment of our job architecture series, we examine one of its most consequential applications: pay transparency. As legislation and stakeholder expectations push organizations to disclose more, job architecture provides the structure needed to make those disclosures credible and defensible.

Transparency Is Only the Starting Point

The form of pay transparency disclosure requirements may vary across jurisdictions, from salary ranges in job postings to gender pay-gap reporting or proactive pay equity reviews. But each can create the same practical challenge: can the organization explain how the information was produced and what it means?

Once pay information becomes visible, employees, managers, candidates and regulators may begin to ask:

- How was the posted salary range determined?
- What determines an employee’s positioning within that range?
- Which jobs or employee groups should be compared in pay-gap reporting?
- What distinguishes one level, and its pay opportunity, from another?

The issue is no longer simply whether an organization discloses pay information. It is whether the organization can explain the decisions behind it consistently and credibly.

Start With the Right Comparison

Transparency can invite quick comparisons: two people with similar titles, two postings with different ranges or two teams doing related work. These may be reasonable starting points, but titles and surface-level similarities do not establish that jobs are equivalent.

> **Job architecture provides a common structure for describing work, grouping related roles, differentiating levels, comparing jobs and connecting jobs to pay structures.**

As discussed earlier in this series, job families group similar work, levels distinguish progression stages, responsibilities and skills clarify expectations, and career paths show possible movement. For pay transparency, these elements help determine what should be compared and why apparently similar jobs may have different pay opportunities.

Two roles called "Manager," for example, may have very different scopes, decision authority or organizational impact. Conversely, roles with different titles may be comparable because their accountabilities are similar. Job architecture makes those distinctions visible and gives the organization a consistent basis for internal analysis.

In other words, job architecture helps organizations move from visible pay information to defensible comparisons. It clarifies when jobs should be grouped together, when they should be distinguished, and how those distinctions should inform internal analysis, which will in-turn affect market benchmarking and pay equity work.

It is equally important to understand the limits. Job architecture can explain why a job is assigned to a particular level and salary range. It cannot, on its own, explain why an individual employee is paid at a specific point within that range. Individual outcomes also depend on compensation policies, relevant experience, performance, demonstrated capability, market factors and governance.

Connect the Job to the Pay Decision

Job architecture is not the entire pay system, but individual pay decisions are difficult to explain without it. A credible explanation follows three questions.

What is the job?
Job architecture defines the nature, scope and relative level of the work. It clarifies the role's accountabilities and required capabilities.

What is the pay opportunity for the job?
The compensation structure connects the job and level to an appropriate salary range. The range may reflect the organization's compensation philosophy, relevant labour markets, internal relationships and the value assigned to the work.

Why is the employee paid at this point within the range?
Compensation policies and decision criteria explain individual positioning. Depending on the organization, these may include relevant experience, sustained contribution, demonstrated capability, and performance.

The connection can be expressed simply:

Job content → job level → salary range → individual pay position

Before disclosing a range or responding to questions about pay, organizations should be able to trace the decision through each step and identify the policy, data or rationale supporting it.

When this chain is clear, an organization can assess whether jobs are genuinely comparable, employees are assigned to the appropriate levels, ranges are aligned to the work and individual pay differences are supported by documented criteria.

When the chain is weak, transparency may expose inconsistent level assignments, unreliable comparisons, disconnected salary ranges or decisions that cannot be substantiated. Transparency did not create these issues; it made them easier to see.

Keep Pay Explanations Current

The connection between the job, its level, the salary range and the employee's pay position must remain current over time. A pay decision may be well supported when it is made, but the rationale can weaken if the job changes, the market moves, or exceptions are not reviewed.

Organizations need clear ownership and governance for:

- Reviewing new jobs and re-evaluating materially changed roles
- Reconciling external job postings with internal job and pay structures
- Approving and documenting exceptions
- Monitoring employee positioning within salary ranges

A posted range, for example, should trace back to the job and level used internally, not to a range created only for recruiting convenience. A market premium should have a defined rationale, approval path and review date. A materially expanded role should be re-evaluated rather than allowed to drift informally.

The purpose of governance is not simply to maintain the architecture. It is to preserve the credibility of the pay explanations built on it. When decisions are reviewed consistently and exceptions are documented, monitored and reassessed, leaders can respond to scrutiny with evidence rather than reconstructing the rationale after the fact.

From Disclosure to Defensible Decisions

Job architecture provides the common logic connecting the work, the level and the pay opportunity. Combined with clear compensation policies and ongoing governance, it helps organizations turn disclosure into an explanation employees and managers can understand.

Pay transparency reveals the number. Job architecture helps explain the decision behind it.