Internal Equity Workshop – Hay Group Work Measurement Process
LHRMA
MARCH 9, 2010
Why evaluate jobs?
What are your opinions about job evaluation?

Why should jobs be evaluated?
What criteria should be included in a job evaluation methodology?
What process should be used to evaluate jobs?
What is the value to the organization?
What are the current issues you would like to see addressed regarding job evaluation?
Why evaluate jobs?

- To reflect the values of the organization
- To clarify organization structures and job accountabilities
- To determine hiring criteria and qualifications
- To develop a basis for performance management
- To establish a credible and consistent hierarchy of job values to the organization
- To facilitate the development of a pay structure
- To enable comparisons to be made to assess internal pay equity based on measured job content
- To facilitate making pay comparisons to the external labor market
- To support legal compliance efforts (e.g., ADA, FLSA, etc.)
What would you need to know to evaluate/price a job?

**Job purpose**
- Why does this job exist?

**End result expectation**
- What is the outcome expected? How is this position expected to achieve that end result?

**Budget**
- What is the magnitude of this job’s responsibility? What is the job’s role in setting and managing to and/or within that budget? How much latitude do they have to work within this budget?

**Reporting structure**
- Who does this job report to? Who reports to this job? What latitude to achieve an end result is permitted within this job?
What would you need to know to evaluate/price a job?

Skills, experience and knowledge
- What does this job holder need to know in order to deliver upon the output expectations?

Degree of autonomy
- What governs the job holder’s actions?

Geographic scope
- How far reaching is this position? Are there cultural nuances and/or sensitivities that increase the complexity of this job?

Nature and environment
- What is the nature and environment in which this job operates?

Creativity required in the job
- How creative can this job get and still produce the expected end results? Are there principles/policies/procedures, etc. that guide the job holder?
Job evaluation requires organizational understanding

These last two - People and Reward - are not a part of job evaluation decisions, but are a part of people management decisions.
The definition of job evaluation

Determining the intrinsic value of work to the organization using a methodology containing measurement scales of common compensable factors.

A process to measure the size of jobs against appropriate and consistent criteria.

Focuses on the content of the job as currently designed.

Factors not considered in the process:

- Individual qualifications, performance and longevity
- Existing pay
- External market (e.g., supply and demand)
The value of job evaluation

Job evaluation is an integral component of the work valuing process

- Market rates matter. . .but may not give a complete, constructive answer.
  - Companies are becoming unique in their organization structures, market niches and jobs.
- Pay decisions must make business sense. . .you must have a foundation for those decisions.
  - Use market comparisons to measure the value of comparable work or people to other organizations.
  - Use job evaluation to measure the value of the work or person to the specific organization.
And it’s not just about pay. . .

. . .impacting pay decisions is only one of the purposes of work comparison.

**Organization Value-Added**
- Organization analysis and design
- Organization benchmarking
- Defining organizational accountabilities

**Foundational/Tactical**
- Career planning
- Succession planning
- Job family modeling
- Internal equity management
- Market pricing processes
- Defining job accountabilities

**Focus Area**
- Individual Job
- Job Families
- Entire Organization
Compensation analysis
Compensation decision process

- Market Analysis
  - Determine Salary Grade and Range
  - Determine Individual Pay Level
  - Determine Target Position in Range

- Performance Management and Appraisal
  - Compensation Strategy and Programs
    - Job Analysis & Evaluation
      - Compensation Philosophy
Analysis of internal equity

x = one job or employee

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Evaluation points determine where the job fits in the grade structure. Each grade level is defined by a range of point values which groups jobs together in similar responsibility levels.
Base salary ranges

- Lower portion of range is typical for newly promoted or new hires with limited experience in that grade.
- Middle portion of range represents the targeted market value for positions in that grade. This portion is typical for fully proficient employees with consistently solid performance.
- Upper portion of the range provides a premium over market and is typical for employees with outstanding performance over an extended period of time.
Hay Group Guide Chart - Profile
Method of Job Evaluation℠
Developed by Edward N. Hay in the early 1940’s
Modified over the years to reflect the changing needs and evolution of organizations
Most widely used process for the evaluation of management, professional and technical jobs in the world
Used by more than 4,000 organizations in over thirty countries
We must first believe that all jobs exist to contribute in some way to the organization.

Job evaluation allows us to measure the contributions of jobs in terms of internal value and further enables linking these internal values to external market data.

**Hay Group methodology measures three aspects of a job:**

- Knowledge required (input)
- Problem Solving involved (throughput)
- Results expected (output)

*The outcome of this methodology is a measurement of job size in terms of points.*
Jobs exist to achieve an end result. To achieve this end result, job holders must address problems, create, analyze, and apply judgment. Therefore, the job holder requires a level of knowledge and experience commensurate with the scale and complexity of the result to be achieved.
A perceivable step difference is defined in Hay Group evaluation terms as a 15% progression in point values in all of the charts.
In other words, when comparing one job factor to another...

<table>
<thead>
<tr>
<th>Step Difference</th>
<th>No Step</th>
<th>One Step</th>
<th>Two Steps</th>
<th>Three Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>Not a significant difference in size</td>
<td>Just noticeable difference, perceived only after careful thought</td>
<td>Clear difference, quite evident after some consideration</td>
<td>Very obvious difference, needing little or no consideration</td>
</tr>
<tr>
<td>57</td>
<td></td>
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<tr>
<td>66</td>
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<td>76</td>
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<tr>
<td>152</td>
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</tbody>
</table>

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To achieve results, jobs must require a certain level of knowledge, skills and experience.

Know-How is the factor we use to measure the sum total of knowledge required of a job, however gained.

Know-How has three dimensions:

- Technical and Specialized Knowledge
- Managerial Integration
- Human Relations Skills
In utilizing Know-How to achieve results, jobs are designed to analyze and resolve problems. Problem Solving is the factor we use to measure the nature and complexity of the problems and challenges that jobs must face. Problem Solving has two dimensions:

- Thinking Environment
- Thinking Challenge
Based on the premise that all jobs exist to achieve results, Accountability is the factor we use to measure the output of jobs. Accountability has three dimensions:

- Freedom to Act
- Impact
- Magnitude

The Accountability or “Output” of a Job
Sum total of every kind of capability, however acquired, necessary for competent job performance.

Know-How can be acquired through:
- Formal education – engineering, finance, law, medicine, etc.
- Education and experience – programming, skilled trades, etc.
- Experience – sales, supervision, etc.

Know-How has three dimensions:
- Specialized/Technical
- Managerial
- Human Relations Skills
Specialized/Technical Know-How

Depth & Breadth

Specialized/Technical

- Cost Accountant
- Medical Consultant
- Manager Engineering
- Marketing Executive

- Standard Costs
- Cardiology
- Engineering
- Purchasing
- Maintenance
- Products
- Market Development
- Sales Techniques
- Advertising
- Distribution
- Purchasing
- HR
- PR
- Finance
- Marketing
- Operations Management

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Specialized/Technical Know-How

Basic building blocks of knowledge in the position
How much the position holder needs to know about how many things
Can be expressed as depth and/or breadth
Not a measure of how the incumbent attained the knowledge (can be attained through either formal education or experience)

- L, A – D  Knows WHAT to do and HOW to do it
- E* – G  Also knows WHY it should be done (the theories, concepts, and principles behind the action)

* Level E typically begins the transition to professional/managerial employees
Evaluating the Depth of Specialized/Technical Know-How

L – Limited
- Simple instructions and work routines
- Day laborer, sweeper, picker

A – Primary
- Simple procedures, detailed instructions and routine operations
- May involve use of simple equipments
- Positive habits for individual and team efforts
- Able to perform basic math operations (add, subtract)
- Mail room clerk, file clerk, assembler, and laborer
Evaluating the Depth of Specialized/Technical Know-How

**B – Elementary Vocational**
- Basic abilities in understanding established, standardized instructions, ability to utilize basic equipment, math skills (able to work with percentages, fractions and decimals)
- Typical of what high school education plus some skills training (clerical accounting, secretarial, electronics, drafting)
- Receptionist, data entry, maintenance helper, assembler, truck driver, guard, accounting clerk, unskilled to semi-skilled production

**C – Vocational**
- Procedural or systematic proficiency in use of somewhat diversified procedures and precedents; may involve facility in operation of specialized equipment of moderate complexity
- “Journey” level of skill in vocational areas
- Secretary, accounting clerk, bank teller, computer operator, customer service clerk, drafter (CAD), carpenter, painter, journey level operations and craft skills
D – Advanced Vocational

- Specialized knowledge (non-theoretical) utilizing substantially diversified standards and precedents; may involve operation of equipment with significant complexity. Typically highest level of technical know-how for work classified as “nonexempt.”

- Computer programmer, executive secretary, technician, industrial nurse, customer service representative, maintenance electrician, tool and die maker, highly skilled to master level trade, first line supervisor.
Evaluating the Depth of Specialized/Technical Know-How

**E – Basic Specialized**
- Basic understanding and application of clearly defined policies and principles, defined work practices, precedents, theoretical or scientific theory and functional principles. Understanding of why things are done is important.
- Levels of difficulty/abstraction typically gained through a four year college degree program.
- Entry and learning levels of individual contributor positions in the professions (e.g., accounting, legal, engineering, etc.), first line to mid-level supervisor/managers, technical sales positions.

**F – Seasoned Specialized**
- Proficiency in application of knowledge in a broad, multifunctional field, or considerable depth and seasoning in a technical and specialized field.
- Typical career top out level of technical know-how for professionals.
Evaluating the Depth of Specialized/Technical Know-How

G – Advanced Mastery

- Comprehensive knowledge and experience in general management breadth and/or expert level of ability in highly technical areas.
- Positions generally have strategic importance to the organization and represents the organization’s leading expert in such an area.
- On technical side, requirements often exist for advanced degree or equivalent with significant experience.
- Senior executives (breadth) and typical top of technical career ladder in most organizations.

H – World Class Expertise

- Recognized and accomplished industry/functional expert in a critical, technically complex and strategically important area.
- Rarely used, and where it is, associated with individual recognition and capability in addition to organization need.
### Evaluating the Depth of Specialized/Technical Know-How

<table>
<thead>
<tr>
<th>Levels</th>
<th>Technical Skill Requirements</th>
<th>Typical Skill Requirements</th>
<th>Training Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Primary</td>
<td>Literacy and ciphering skills needed</td>
<td>Very short on-the-job</td>
</tr>
<tr>
<td>B</td>
<td>Elementary Vocational</td>
<td>Semi-skilled/simple repetitive assignments/use of basic equipment</td>
<td>Short on-the-job</td>
</tr>
<tr>
<td>C</td>
<td>Vocational</td>
<td>“Journey” level/specialized skills or equipment</td>
<td>Moderate, specialized training and experience</td>
</tr>
<tr>
<td>D</td>
<td>Advanced Vocational</td>
<td>Master vocational skills/procedural proficiency</td>
<td>Vocational training and considerable experience</td>
</tr>
<tr>
<td>E</td>
<td>Basic Specialized</td>
<td>Disciplinary understanding/technical sufficiency</td>
<td>College degree or equivalent training and experience</td>
</tr>
<tr>
<td>F</td>
<td>Seasoned Specialized</td>
<td>Technical, disciplinary proficiency</td>
<td>Advanced college study or equivalent training and experience</td>
</tr>
<tr>
<td>G</td>
<td>Specialized Mastery</td>
<td>Broad management knowledge or deep technical knowledge</td>
<td>Extensive management or technically specialized experience</td>
</tr>
</tbody>
</table>
Specialized/Technical Know-How
Group Exercise
Know-How Evaluation
Managerial Know-How

Leadership Integration

- Requirements for managing, planning, organizing, staffing, directing and controlling work to ensure integration of activities to meet business objectives.
- Decision-making regarding the allocation of resources (people, material, financial).
- Supervising or administering are parts of the management job.
- May be exercised consultatively or executively.
- Hierarchically influenced (levels above affect more than levels below).
- Increase with complexity functional diversity, strategic importance, scale/scope and degree of conflict resolution and trade-offs required.
Managerial Know-How

T – Task Oriented
- Performance of a task(s), highly structured, limited awareness of company environment.

I – Minimal/Activity Oriented
- Performance of job that is very specific as to objective, approach and content, with appropriate awareness of related activities and impact position has on them (clear majority of all jobs).
- Performance or supervision of an activity or activities within established plans, structures, work processes and budgets.
- Limited requirements for managerial skills in organization, policy making, administration and integration of functions.
- Includes “manager” positions where focus is on assignment of work, scheduling work, monitoring work and reviewing results for timeliness, quality and cost effectiveness.
II – Related (Tactical)

- Job involves allocation of resources (people, material, financial) and integration of activities that are relatively homogeneous in nature and content with limited requirements for making allocation “trade-off” decisions. Job may be either operational or conceptual. Examples:
  - Manager/Directors working through subordinate Supervisors/Managers to provide for the integration of activities which have common functional objectives and to assure external coordinator of those activities with other functional areas.
  - Manager/Director overseeing complex work of professionals who do not require day-to-day supervision. The focus is on acquiring and using resources to achieve specific planned objectives.
  - Individual contributor in consulting role required to know and utilize the process of management to advise other managers on matters having business impact.
Managerial Know-How

III – Diverse (Strategic)

- Positions charged with integrating unrelated functions (e.g., production, sales and finance) and/or the integration of all functions within a major activity area of strategic importance (e.g., finance).
- These positions are required to deal with conflicting objectives or priorities, by allocating resources among subordinate areas which are pursuing specific objectives.

IV – Broad

- Total management of the Group or Subsidiary.
- Core Executive Leadership position for the entire organization.
- Definition tailored to overall organization size and complexity (may be CEO of a smaller company or core management of a larger company).
Breadth of Required Managerial Know-How

T. _____________ Individual performer assigned simple, specific tasks

I.  Circle   Individual performer or supervisor

II.  Circle  Circle Homogeneous managerial integration

III.  Circle  Square  Diverse Managerial Integration

IV.  Circle  Square  Triangle Integration of broad major functions for the division
Managerial Know-How
Group Exercise
Know-How Evaluation
Person to person skills in the area of human relationships impacting outcomes of such interactions.

Skills required to perform the position at a 100% fully competent level.

Nature of contact and end result expectation of interpersonal relationships are critical, not frequency of interpersonal interactions.
Human Relations Skills Know-How

**Basic**
- Common courtesy, tact and effectiveness in dealing with others to meet their needs.
- Give and receive information, ask questions and get clarification.
- At a minimum, expected of every employee in the organization.

**Important**
- Skills required to understand, persuade and influence outcomes.
- Influences behavior, change opinions or turn a situation around.
- Examples: Lead Worker/Supervisor, Customer Service Representative, Technical Sales Representative

**Critical**
- Requirements to motivate, develop, negotiate, mediate or cause commitments (to cause actions to occur that would not likely occur without human relationships interactions.
- Examples: Sales representative, managers of people, labor negotiators
Human Relations Skills Know-How

Category

Basic
- Courtesy
- Tact
- Provide Information

Important
- Courtesy
- Tact
- Provide Information
- Persuade
- Influence
- Understand

Critical
- Courtesy
- Tact
- Provide Information
- Persuade
- Influence
- Understand
- Develop
- Motivate
- Select
- Effect Change

Components

Activities
- HR Skills Subordinate to Procedural Skill
- "Getting Along" with People Effectively
- Technical Know-How Utilized to Influence Others
- Group Leaders/Technical Supervisors
- HR Skills Critical in Changing Behavior of Others
- Most Managers and Supervisors

Behavior Change
- None or Minimal
- Moderate
- High
Know-How Slotting

**Managerial Know-How**

<table>
<thead>
<tr>
<th>I. Minimal</th>
<th>II. Related</th>
<th>III. Diverse</th>
<th>IV. Broad</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
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<tr>
<td>50</td>
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<td>200</td>
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<tr>
<td>200</td>
<td>230</td>
<td>264</td>
<td>304</td>
</tr>
</tbody>
</table>

**Specialized Know-How**

- A. Primary
- B. Elementary Vocational
- C. Vocational
- D. Advanced Vocational
- E. Basic Specialized
- F. Seasoned Specialized
- G. Specialized Mastery

**Select the middle number in the cell unless there is pull up or down on Specialized or Managerial Know-How. Not advisable to shade based on HR skills.**
Know-How: Building an Evaluation

Evaluation

F
Technical

II
Managerial

3
Human Relations

400 Points

Description

Seasoned
Specialized

Integration of
Homogeneous
Functions

Optimal
Human Relations
Skills
Quality Assurance
Quality assurance checks for a job

- Evaluation factors can be compared within a job (i.e., the relationship between Problem Solving and Accountability).
- Job “Shape” or Short Profile is the relationship between Problem Solving points and Accountability points. To calculate:
  - Find the Problem Solving points on Step Value table.
  - Count up or down until you reach the Accountability points.
  - If you count up two levels, the job is said to be +2 or A2 or “up 2.” If you count down one level, the job is said to be -1 or P1 or “down 1.” If the points are equal, the job is said to be = or level.
- Jobs where the Accountability points are higher than the Problem Solving points have a heavier emphasis on end results.
- Jobs where the Problem Solving points are higher than the Accountability points have a heavier emphasis on thinking/analysis than end results.
- Jobs where the Problem Solving points are equal to the Accountability points have a balance between thinking/analysis and end results.
Quality assurance checks - Short Profiles

Relationship Between Factors - AC to PS

Problem Solving Dominant

P2 Pure Research
Heavy thinking, low regard for end results.

P1 Applied Research

= Staff Position

A1 Accountability Emphasis Staff
Comparable emphasis on thinking and end results (i.e. providing solutions that are thoughtful and timely).

A2 Technical Line/Production

A3 Typical Line/Production
High emphasis on end results.

A4 Heavy Production Emphasis

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**Quality assurance checks - Short Profiles**

<table>
<thead>
<tr>
<th>Level</th>
<th>Focus</th>
<th>Professional/Management</th>
<th>Support/Blue Collar</th>
</tr>
</thead>
<tbody>
<tr>
<td>+5/A5</td>
<td>Entrepreneur</td>
<td>Business Owner/Manager</td>
<td></td>
</tr>
<tr>
<td>+4/A4</td>
<td>LINE/very heavy action</td>
<td>Production, Sales or Top Management</td>
<td>Assembler, Shipping Clerk, Manual Laborer</td>
</tr>
<tr>
<td>+3/A3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+2/A2</td>
<td>Line/some “staff” orientation</td>
<td>Maintenance, Managers in Matrixed Environment</td>
<td>Welder, Admitting Clerk, Word Professor, Data Entry Operator</td>
</tr>
<tr>
<td>+1/A1</td>
<td>STAFF/some “line” orientation</td>
<td>Accountant, Engineer, HR Rep, Attorney, Computer Analyst</td>
<td>Secretary, Accounting Clerk, Drafter</td>
</tr>
<tr>
<td>=/Level</td>
<td>STAFF/analysis/end results balance</td>
<td></td>
<td>Programmer Technician</td>
</tr>
<tr>
<td>-1/P1</td>
<td>STAFF/some research orientation</td>
<td>Planning Systems, Applied Design</td>
<td></td>
</tr>
<tr>
<td>-2/P2</td>
<td>RESEARCH/applied focus</td>
<td>Applied Research, Principal, Engineers, Scientists</td>
<td></td>
</tr>
<tr>
<td>-3/P3</td>
<td>RESEARCH/basic research</td>
<td>Fundamental Research</td>
<td></td>
</tr>
<tr>
<td>-4/P4</td>
<td>THINK TANK/undirected</td>
<td>Go Away and Think</td>
<td></td>
</tr>
</tbody>
</table>

**Up/Down Definition:** Relationship between Problem Solving Points and Accountability Points expressed in Steps (15% Intervals)
Quality assurance checks between jobs

**Waterfall Check**
- When evaluating positions with an F level or below for Specialized Know-How, factor selections will either stay constant or not move more than one letter down across factors (e.g., DDD, EED, FED).
- This reflects logical and reasonable relationships between what the person in a position knows, how they can adapt their knowledge to unusual situations and the effect on organizational results that they are likely to be empowered to pursue.

**Sorethumb**
- Sort jobs based on total evaluation points and see if any jobs appear out of place.
- Jobs can also be sorted by individual factors evaluations and reviewed for inconsistencies.
- Review hierarchical structures within job families for appropriate progression.
Quality assurance checks between jobs

Factor evaluations can be compared between jobs (e.g., how far apart Know-How evaluation points are between two jobs).

- Comparing the step difference for a particular factor between two jobs is determined the same way as Profiles are. However, the absolute difference between the factor dimension is the only concern.

**Step Differences between Factors (e.g., KH)**

- No Step: Not a significant difference in size
- 1 Step: Just noticeable difference (modest, but recognizable promotion; natural progression between jobs)
- 2 Steps: Clear difference (full, normal, healthy promotion)
- 3 or 4 Steps: Very obvious difference (stretch/very unlikely promotion)
Quality assurance checks between jobs

Step Differences between Factors

- Just noticeable
- Clearly different
- Obviously different

Values:
- 264
- 230
- 200
- 175

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Step Differences – Organizational Analysis

K-H

400

Boss

Subordinate

“One Step

“The obvious Successor — Would not miss a beat”

Two Steps

Subordinate

“A possible Successor”

Three Steps

Subordinate

“A unlikely Successor”

“Reality Testing Step Differences”
Organization Design Succession Planning
### Understanding demand of executive roles: Levels of work complexity

<table>
<thead>
<tr>
<th>Levels of Work</th>
<th>Advisory Roles</th>
<th>Collaborative Roles</th>
<th>Operational Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>Global Enterprise Leadership</td>
<td>Responsible for organization’s global direction and strategies. Defines the company’s mission and vision with the Board of Directors.</td>
<td>Thinking about the total organization’s policies and strategies. Goals are broadly defined. Has an enterprise focus within the functions managed, providing direction to achieve company mission and vision. Typically seen in COO role for international organization.</td>
</tr>
<tr>
<td>Strategic</td>
<td>Enterprise Leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic</td>
<td>Strategy Formation</td>
<td>Setting broad strategy for business/function which is integral to the core purpose of the enterprise. Long-term focus – involved in setting direction for the company. Sets policies and develops corporate objectives/strategies as a member of core executive team.</td>
<td></td>
</tr>
<tr>
<td>Strategic</td>
<td>Strategic Alignment</td>
<td>Positioning a business/function within broadly defined business strategy. Aligns own strategy with broader company strategy and develops plan for execution.</td>
<td></td>
</tr>
<tr>
<td>Operational</td>
<td>Strategic Implementation</td>
<td>Focused on the variable application of policy locally – turning policy into reality. Requires evaluation and constructive thinking to address new issues. Executes on the strategic plan developed above.</td>
<td></td>
</tr>
<tr>
<td>Operational</td>
<td>Tactical Implementation</td>
<td>Clearly defined functional objectives within established policy frameworks. Executes on own portion of strategic plan, focused on meeting a set of objectives.</td>
<td></td>
</tr>
</tbody>
</table>
Understanding demand of executive roles: Three distinct types of roles

<table>
<thead>
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<th>Advisory Roles</th>
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<th>Operational Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Enterprise Leadership</td>
<td>Guidance and advice to support achievement of business results by developing functional capability</td>
<td>Coordination of internal resources or relationships with external partners to deliver measurable business results</td>
</tr>
</tbody>
</table>

Levels of Work:
- Strategic
- Operational

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## Role Matrix

<table>
<thead>
<tr>
<th>Levels of Work</th>
<th>Advisory Roles</th>
<th>Collaborative Roles</th>
<th>Operational Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Global Enterprise Leadership</td>
<td></td>
<td>• President and CEO</td>
</tr>
<tr>
<td></td>
<td>Enterprise Leadership</td>
<td></td>
<td></td>
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<td>Strategy Formation</td>
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<td>• EVP, Operations and Supply Chain</td>
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<td>• VP, Corporate Controller</td>
<td>• VP, Operations</td>
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<td>• VP, Sales and Ops Planning</td>
<td>• SVP, Retail Sales – East</td>
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<tr>
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<td>• VP, Global Sourcing</td>
<td>• SVP, Retail Sales - West</td>
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<td>• VP, Information Systems</td>
<td>• VP, Technical Services</td>
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<td>• VP, Quality and R&amp;D</td>
<td>• General Manager, Italy</td>
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<td>• Plant Manager,</td>
<td>• VP, Food Service</td>
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<td></td>
<td>Tactical Implementation</td>
<td>• Dir, Compensation and Benefits (*)</td>
<td>• Sr Dir, Business Development</td>
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<td>• Director, Accounting</td>
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<td>• Director, Internal Audit (*)</td>
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<td>• Director, HR</td>
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## Proximity to Business Results

<table>
<thead>
<tr>
<th>Planning and Policy*</th>
<th>Coordination and Commercial**</th>
<th>Business and Operations***</th>
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<tbody>
<tr>
<td>Enterprise Leadership 76%</td>
<td>N/A</td>
<td>• CEO</td>
</tr>
<tr>
<td>Strategy Formation 66%</td>
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<td>• Chief Marketing Officer • CFO</td>
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<td>Strategic Alignment 57%</td>
<td>• Corporate Controller • Head of HR</td>
<td>• Head of Legal • Head of IT • Head of Trading</td>
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<tr>
<td>Strategic Implementation 50%</td>
<td>• Engineering Manager • Corporate Manager of Staffing and Recruitment</td>
<td>• Head of US Client Svcs • Head of Sales/US • Global Director</td>
</tr>
<tr>
<td>Tactical Implementation 43%</td>
<td>• Corporate Manager of College Recruiting • Attorney</td>
<td>• Head of OFA • Head of Indpt Fiduciary Svcs</td>
</tr>
</tbody>
</table>

* Contributory  ** Shared  *** Primary (direct control of resources)
Identify risks from stretching people too far
…and make recommendations for an appropriate level of stretch

Example 1

Sample Question: Will this person get frustrated by the need to step back and let others deliver? (Target 1)

Example 2

This is unlikely to be a successful move. The learning curve is too steep e.g. leading large teams, direct accountability for targets (Target 2)
## Organization readiness map - A full succession chessboard

<table>
<thead>
<tr>
<th>Levels of Work</th>
<th>Strategic</th>
<th>Operational</th>
<th>Advisory Roles</th>
<th>Collaborative Roles</th>
<th>Operational Roles</th>
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<td>N/A</td>
<td>• CEO</td>
</tr>
<tr>
<td></td>
<td>Strategy Formation</td>
<td>N/A</td>
<td>• Chief Marketing Officer ✓</td>
<td>• CFO ✓</td>
<td></td>
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<tr>
<td></td>
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<td>• Corporate Controller ✓ • Head of HR ✓</td>
<td>• Head of Legal ✓ • Head of IT ✓ • Head of Trading ✓</td>
<td>• CIO ✓</td>
<td></td>
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<tr>
<td></td>
<td>Strategic Implementation</td>
<td>• Engineering Manager ✓ • Corp Mgr of Staffing &amp; Recruitment ✓</td>
<td>• Head of US Client Services ✓ • Head of Sales/US ✓ • Global Director ✓</td>
<td>• Head of Passive Equity ✓ • Head of Advisors Strategy Group ✓ • Head of Sales and Marketing ✓ • Mgr Director Europe • Mgr Director Asia/Pacific ✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tactical Implementation</td>
<td>• Corp Mgr of College Recruiting ◆ • Attorney ◆</td>
<td>• Head of OFA ◆ • Head of Independent Fiduciary Svcs ◆</td>
<td>• Head of US Bonds ◆ • Head of International Cash Mgmt ◆ • Head of International Equity ◆ • CIO, Canada ◆ • CIO, Japan ◆</td>
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