



# Job Analysis in the 21<sup>st</sup> Century

Excerpt

*from an*

Upcoming Book

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*Forward for this Article by the Editor:*

*A job analysis provides critical information on the roles, responsibilities and skills necessary to perform a job. This is essential information for hiring managers and candidates alike. Today in the Spring of 2020 we are facing an extraordinary time. Unemployment rates went from 3.5% (near a 50-year low) in February to 4.4% in March and are predicted to [possibly soar to 15% very quickly](#). That means, once businesses are able to resume operations, there will be plenty of top talent available. Having job analyses completed for all positions within the organizations will help to match candidates with the positions to be filled, and ensure that the organizations are hiring the RIGHT talent, not just available candidates. Read on to find out why performing job analyses is important now.*

Fast forward 50 years and less than 30% of that same variation in performance is due to hard assets. **The vast majority of the variation in performance** is attributable to non-financial or non-physical assets. That variation **is now made up from people driven advantages.**

There are several reasons that the topic of job analysis is on the rise as an important issue in organizations. Not only is that true in the Human Resources department but in other major functional groups within organizations as well. We will get to those reasons in a bit but let's set the stage.

We all know that the pace of change has accelerated with the support of the technology. There is less time to make adjustments in job and organization design. Regardless of the project, purpose, or pursuit, getting "it right" quickly may mean the difference between success and failure (or having your client or customer stolen away by a more agile competitor). Enhanced computing power, efficient communications, and improved data analysis methodologies have given organizations that properly use these building blocks *an advantage*, and put at a distinct disadvantage those organizations that do not.

Up until February with a 3.5% unemployment rate, the US was essentially "running out of employees." Not just employees in general but employees with the right experience to move organizational plans forward. During those halcyon days of 2019 many organizations simply tried substitution in order to fill employee and experience gaps. In some cases, this substitution was accomplished with enhanced automation and off-shoring. In 2019 many organizations found that the number of job openings was greater than the number of qualified employees available (at a reasonable price) to fill the positions.

Both job and organization redesign can be a partial solution to the problems that result from a lack of qualified employees. Let's look at some simple workforce facts. According to the Bureau of Labor Statistics (BLS) the current workforce in the United States is aging. Hard to believe but in 1970 (the year I graduated from high school) the average age of the workforce was 33. In 2020 it will be closing in on 43 as the median age. In 50 years, the average age has increased 10 years. The percentage of older workers (i.e., 55 years or older) is projected to be approximately 25% of the entire workforce in the next few years.

Also, according to the BLS, women have entered the workforce in large numbers moving the average participation rate from 35% in 1960 to 60% in 2020. In 1970 when I entered Worcester Polytechnic Institute (WPI) there were no women in the several thousand-person student body. I recently read my alumni newsletter encouraged to find that 40% of the student body was female. All of the professions (legal, accounting, information technology, marketing etc.) have made significant strides in attracting females. I remind myself constantly that the WPI I attended was run by really smart people (of course only men were professors of engineering) and today look back and ask myself: *"so how could they get it so wrong!"*

Automation has become a Tsunami of change. The "Man/Machine Interface" (or more correct today Human/Machine Interface) has and will continue to change the way organizations and individuals understand their relationship. Some of the change will be foreseen and manageable, some not. Further, augmented reality will change the way we learn and perform jobs. It will also give us information about how employees perform in their jobs, providing management with an understanding of who is good, better, and best among them. Those understandings will be quickly distributed making for large scale improvements in effectiveness. At a global level the demand for better, cheaper, and more variety of products and services has greatly intensified. This is largely due to the internet and worldwide commerce. The internet is lowering the threshold for global commerce and leveling the playing field.

The future is upon us even if we can't see it quite clearly. Organizations will try different approaches to gain competitive advantage.

A quick history lesson about competitive advantage. In the past, competitive advantage was attained through many attributes including physical assets (such as

plant and equipment), financial assets (such as cash flow and currency), intellectual capital (such as patents, and intellectual property), sales and marketing (such as branding, advertising, etc.) These assets were more mission critical to the organization than most of the employees. In fact, prior to 1970, at least seventy percent of the variation in performance was to be found in the balance sheet, income statement, and cash flow analysis.

Fast forward 50 years and less than 30% of that same variation in performance is due to hard assets. The vast majority of the variation in performance is attributable to non-financial or non-physical assets. That variation is now made up from people driven advantages. Even further in fact, the largest part of the differentiating performance is attributable to a very small portion of the workforce and certain key positions. We call those positions and the individuals that occupy them “competitive advantage positions” (CAPs) and “critical asset employees” (CAEs). Of course, this isn’t true for all industries (railroads and mining for instance) but the new “IQ” industries and, in particular, the newer global industries, there are a small number of people who make a significant difference.

## *Why Job Analysis and Why NOW?*

The first reason job analysis is critical for these CAP and CAE positions (and the positions immediately surrounding them) is whatever the production requirements, those positions need to be staffed with “brilliant” highly effective individuals. The value to the organization of understanding these jobs is limitless. This is the engine that makes the organization run. But it is not only the organization that profits. Those placed in these positions profit as well. Position analysis can create insights for those holding these jobs. Added perspective and insight can enhance job satisfaction and help to ensure that the work performed will be both sustainable and repeatable. Position analysis provides powerful insights into the role and requirements of the incumbent. Understanding these positions is critical to the organization and the employee.

The second reason is that in order for organizations to manage change in the most effective manner, these organizations must unbundle the entity on a position by

position basis. For example, many organizations have failed to successfully “outsource” functions because they didn’t understand the organization at the “position analysis” level. It is akin to playing chess... without the benefit of seeing the chess board, a checkmate is in your future.

Third, everything in the United States with respect to employment is essentially “regulated.” We have the most amount of guidance from the Federal, State and Local agencies than any other country in the world. Some of that regulation is with regard to who we can hire, fire, promote, pay and terminate. Matching individuals to positions in an objective manner is the only credible way to comply with the regulations. In whispers we talk about everything from hiring, promoting, training, and pay to termination and discrimination. Lawsuits may arise due to misguided decisions during these events. Most lawsuits can be avoided if the organization had performed an effective position analysis. We are not saying that the reason to perform an effective position analysis is to avoid a lawsuit, because the regulatory issues are really reflective of good management. But organizations ought to hire, promote, pay, and train the best and abide by the laws regardless of “category” to which the employees belong. Understanding the positions requirements with a position analysis is the most effective way to do this.

The fourth reason to do job analysis is that it makes good business sense. If organizations can make the individuals more effective by understanding the requirements of the position through position analysis the individuals will be more effective. More effective means that the organization will more likely fulfill its vision and mission while remaining true to its values and beliefs. ■ ■ ■

*We would enjoy your feedback. Feel free to contact the author, Michael Graham, who can be reached at [michael.graham@grahall.com](mailto:michael.graham@grahall.com).*

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