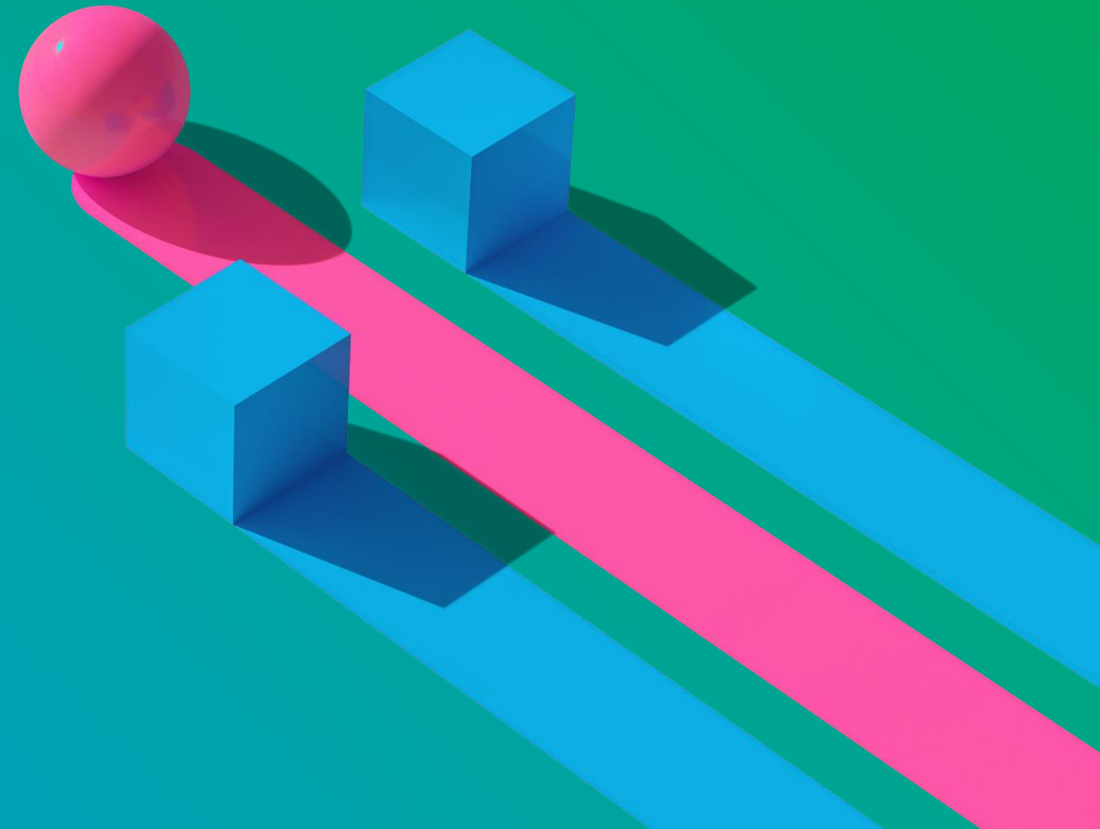# Executive Framework Summary

NEW! Unveiling the simplified Executive Framework

In order to improve the job matching experience we are streamlining Mercer Job Library's Executive Framework.

5

New 5 top leadership benchmark levels, replacing current 22 Executive and Top Management level job codes.

Key changes

Introduction of Executive Tiers
Represent leadership breadth of role by replacing Executive Levels with Executive Tiers.

Organization Type & Geographic Scope of Role
Above elements detached from executive job code, but kept as data refinements.

Defining Top Leadership
Refreshed relationship between Executive and Management Career Stream – complementing Executive Tiers with Director Levels.

What's in it for you

Simplification
Reduced number of levels and jobs while keeping existing benchmarking information.

Easier Job Matching
Job matching process made easier and faster allowing for more flexibility and higher accuracy.

Improved Data Availability
Within new framework, larger portion of available executive benchmarks will be published on the compensation survey reports.

Mercer

New Executive Framework

Summary

New Executive Framework includes 3 Executive Tiers and 2 Director Levels

ET1 – Executive Tier 1
ET2 – Executive Tier 2
ET3 – Executive Tier 3
M60 – Senior Director
M50 – Director

Executive framework roles' job matching process is based on **broad Tier/Level and Career Stream definitions**

Mercer Job Library uses two Career Streams to precisely reflect type of a leader within an organization – from supervisor to CEO

Executive Career Stream

Provides strategic vision and direction. Leads organization or its business function. Includes the three Executive Tiers.

Management Career Stream

Focuses on tactical and operational activities. Includes three main level groups: Team Leaders (M20 & M10), Managers (M40 & M30) and **Directors (M60 & M50).**

Directors (M60 & M50)

Focus on strategy execution and leading business function.

Support executive career stream roles in developing strategy for the organization.

Type of Executive Role is an additional Executive Framework feature which helps to determine Specialization/Job's executive scope. Each executive Specialization and Job is associated with one of three unique **Executive Role Types:**

Head of Organization

Associated specializations are focused on leading entire Organization, selected entity or line of business.

Head of Major Function

Associated specializations are focused on leading broad umbrella of associated functions.

Head of Function

Associated specializations are typically responsible for a single business function or part of a function.
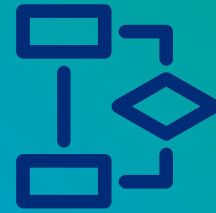
What does this mean for you?

If you are a past participant…

We've mapped over everything to our new framework

If you are a new participant…

We'll teach you how to match your executives

Mercer

Mercer Data Connector

Impacted Areas

Company Data – Internal Grading/Leveling update

Career Stream & Levels Definitions – Updated
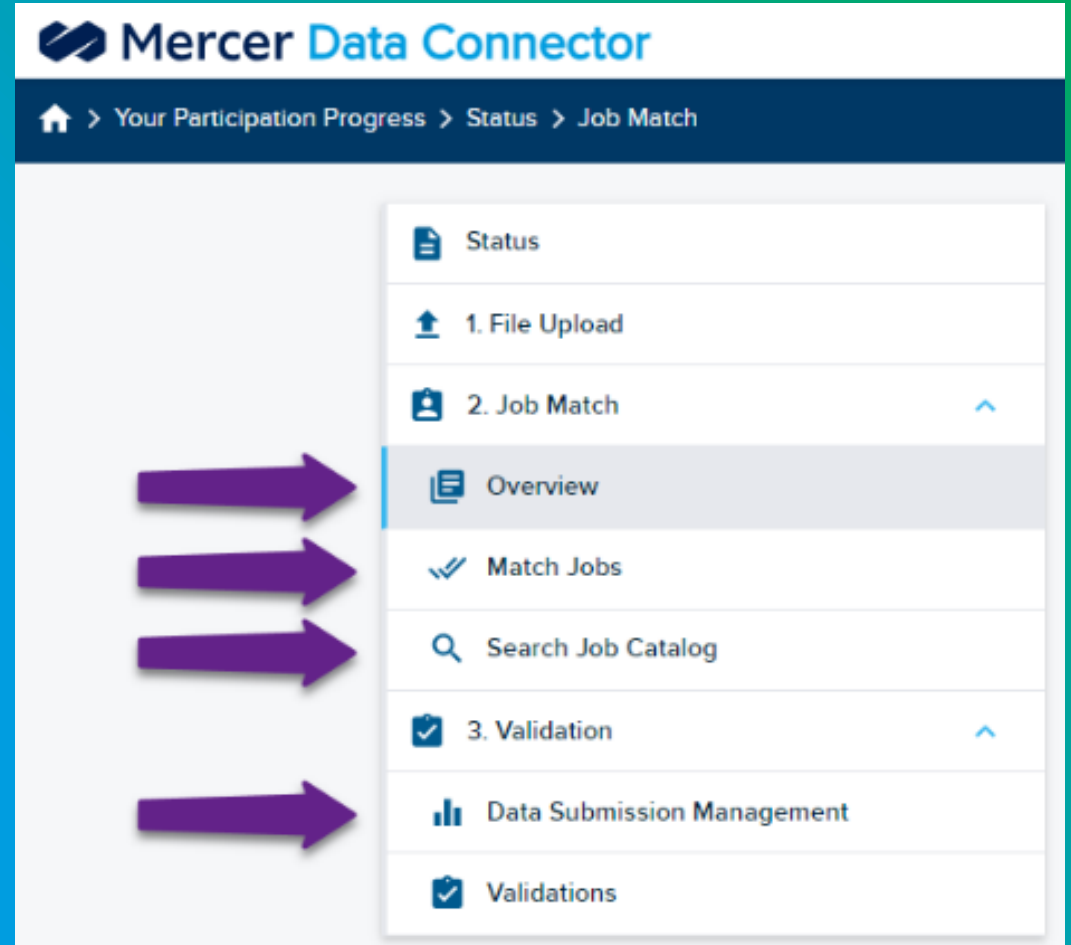
Job Matching Algorithm – Re-trained

Job Matching Suggestions – Updated
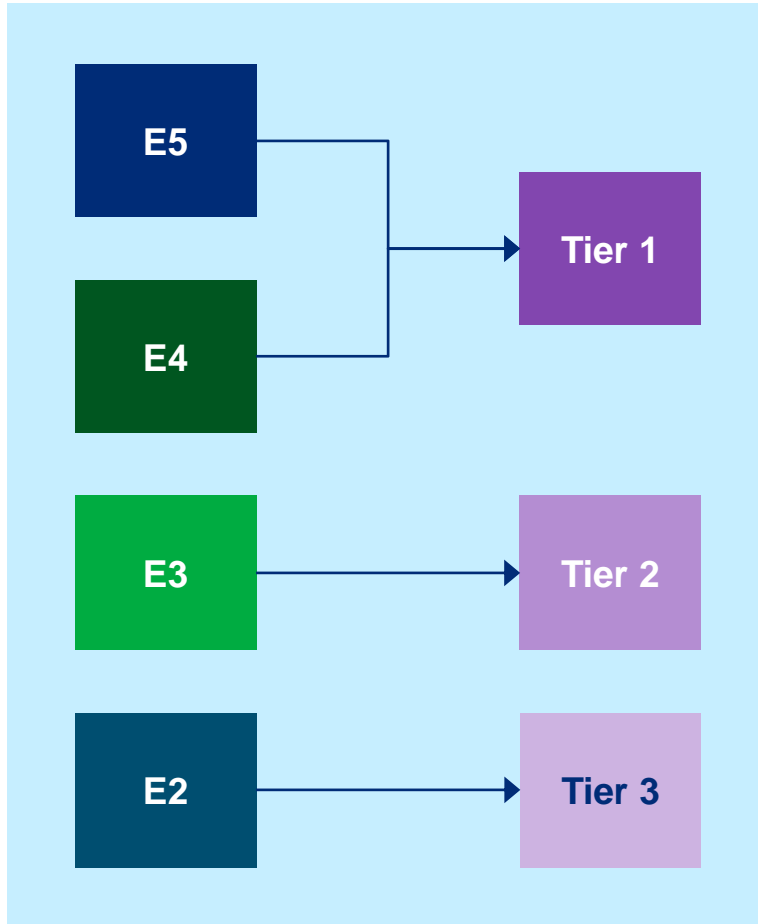
Job Catalog Search – Updated

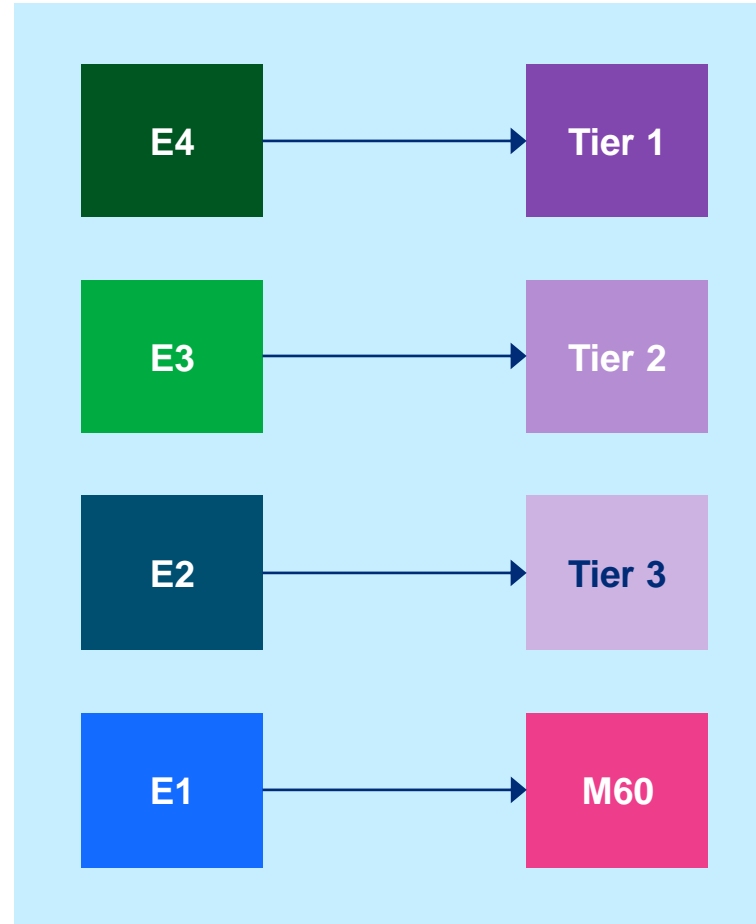**Data Submission Management** – Updated
(Career Levels & Salary Chart)

Mercer

Year over Year Mapping

Simplified Mapping Table
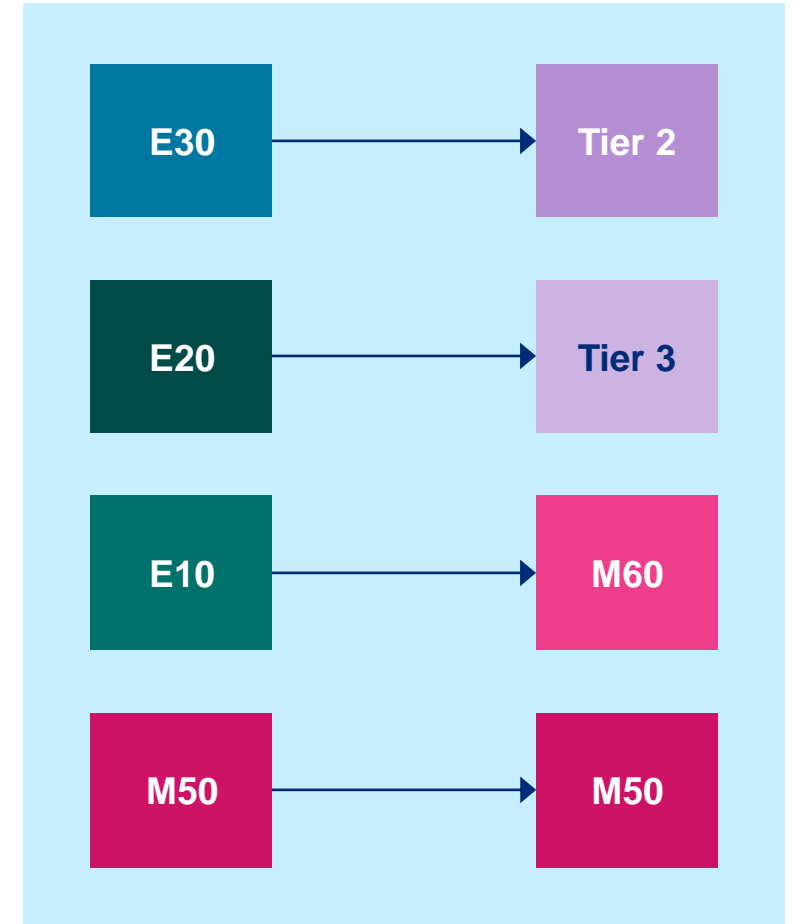
Year over Year Mapping

Simplified Mapping Table – By Level Code

Executive Level 5: E5A	**Executive Tier 1 - ET1**
Executive Level 4: E4A, E4S, E4D, E41	
Executive Level 3: E3A, E3S, E3D, E31, E32, E34, E30	**Executive Tier 2 - ET2**
Executive Level 2: E2S, E2D, E21, E22, E24, E20	**Executive Tier 3 - ET3**
Executive Level 1: E12, E14, E10	**Senior Director - M60**
Senior Manager II: M50	**Director - M50**

Mercer
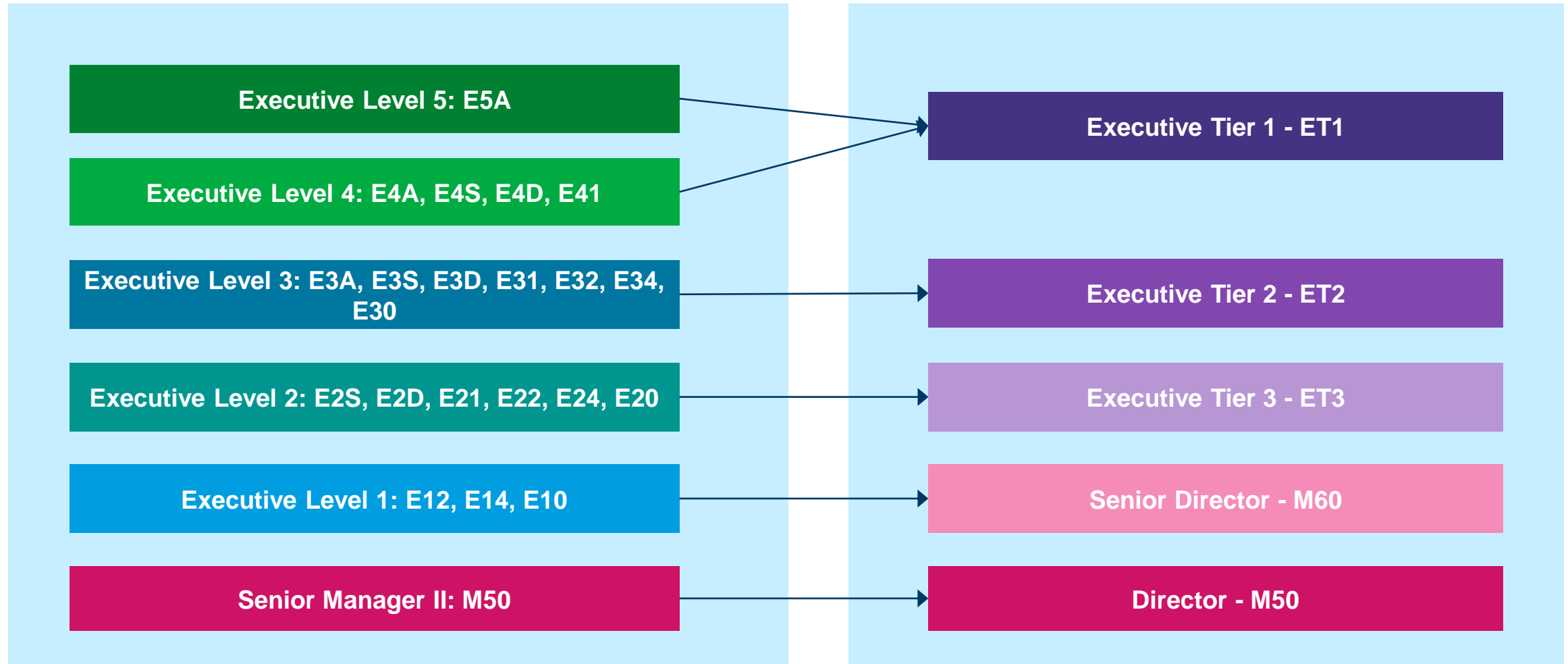
Executive Tier Definition

Executive Tier Definition

What is an Executive Tier?

Executive Tier defines position's breadth of leadership by taking into account incumbent's impact on the organization as well as organization's size and structure. Combined with a specialization (nature of work) results in an Executive Job.

Executive Job	=	Nature of Work (Specialization)	+	Breadth of Leadership (Executive Tier)

Example:

GMA.01.003.ET3	=	Head of Organization (CEO) (GMA.01.003)	+	Executive Tier 3 (ET3)
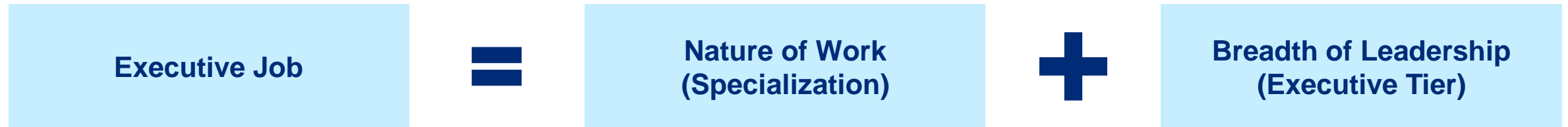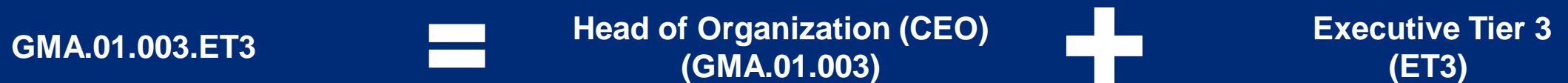
Executive Tier Definition

Career Level vs. Executive Tier

Hierarchy of Work (Level)

Management, Professional, Para-Professional Career Stream

What is the organization level at which the tasks/type of work is performed?

- Incumbent based assessment
- Typically limited to employing entity
- Closely mirrors internal grading structure
- Internal organization structure similar across organizations

Breadth of Leadership (Executive Tier)

Executive Career Stream

What is the breadth of leadership for a given executive role?

- Incumbent and Organization based assessment
- Considers entire organization
- Typically multiple internal grades included in one Library Executive Tier
- More variations in internal organization structures between organizations

Career Stream and Level Definitions

Career Stream Definitions

Executive Career Stream

ET1 – Executive Tier 1

ET2 – Executive Tier 2

ET3 – Executive Tier 3
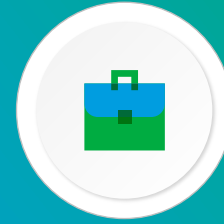
Executive Career Stream

Includes executive roles providing strategic vision and direction, leading organization or its business function. The scope of responsibilities include entire organization and/or selected line of business/ business entity.

The majority of time is spent overseeing area of responsibility, directing the responsibilities of employees. Goal achievement is typically accomplished through performance of direct and/or indirect reports.

Mercer

Career Stream Definitions

Management Career Stream

M60 – Senior Director
M50 – Director

M40 Senior Manager
M30 Manager

M20 Team Leader (Professionals)
M10 Team Leader (Para-Professionals)

Management Career Stream

Management professionals focusing on tactical and operational activities within a specified area. Positions typically have three or more direct reports. Management career stream includes three main level groups:

- Directors (M60 & M50) focus on strategy execution and leading business function, in cooperation with executive roles.
- Managers (M40 & M30) focus on leading experienced professionals including team leaders and other managers.
- Team Leaders (M20 & M10) focus on supervising professional and para-professional employees.

The majority of time is spent overseeing area of responsibility, planning, prioritizing and/or directing the responsibilities of employees. Goal achievement is typically accomplished through performance of direct and/or indirect reports.

Mercer Job Library Executive Framework

Career Streams & Levels

Executive Career Stream

Executive Tier 1 (ET1)

Positions are top corporate executives who determine ultimate direction of the entire multinational/global organization. Establish and implement long-term strategy of the enterprise. Include Head of Organization as well as Head of Major Function roles in organization's top entities (Corporate/Group). May include leaders of the largest business/regional units. Typically lead multiple Tier 2 and Tier 3 executives.

Executive Tier 2 (ET2)

Positions are top executives typically responsible for a business unit/regional business function. Participate in the development of corporate strategy with specific input to their functional area and line of business. Include corporate function executives reporting to the executive officers of the entire organization. Tier 2 Head of Organization leads a regional business or a local independent company. Typically oversee multiple Tier 3 executives and other Tier 2 executives within their respective function.

Executive Tier 3 (ET3)

Positions are executives leading a major function within local entity/business unit or a part of a regional/global business function. They participate in strategy development as it applies to functional area. Tier 3 Head of Organization usually leads local subsidiaries/divisions. Typically lead directors and managers, but may also lead other Tier 3 executives.

Mercer Job Library Executive Framework

Career Streams & Levels

Management Career Stream

Senior Director (M60)

A Senior Director (M60) is responsible for strategy execution and operational direction of a business function within local entity/business unit or at the regional level. They may participate in strategy development for their functional area. Works closely with executive leadership concerning matters of significance to the organization. Typically manages multiple teams led by directors and senior managers.

Director (M50)

A Director (M50) is responsible for strategy execution and operational direction of a business function or a part of a function within local entity/business unit. Supports strategy development for their functional area. Interacts with executive leadership concerning matters of significance to the organization. Typically manages multiple teams led by senior managers and managers.
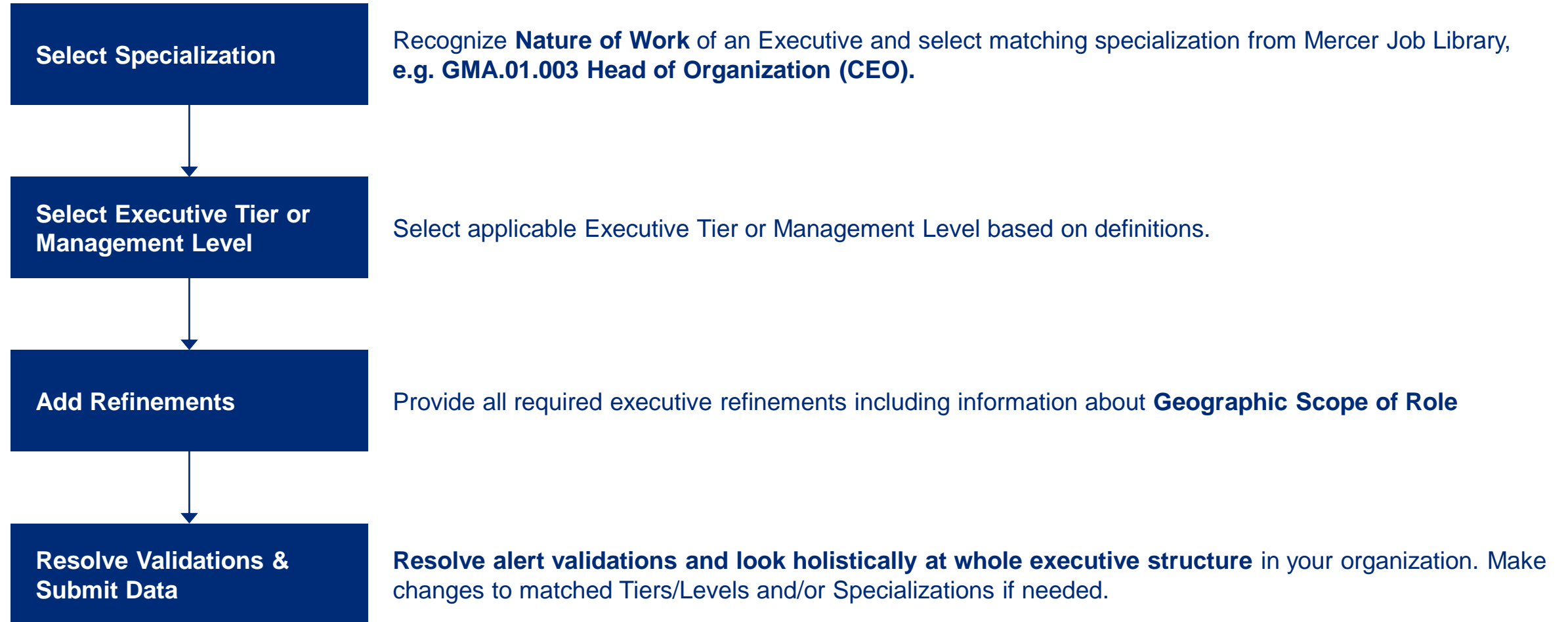
Job Matching

Job Matching Steps

Overview

Select Specialization	Recognize **Nature of Work** of an Executive and select matching specialization from Mercer Job Library, **e.g. GMA.01.003 Head of Organization (CEO).**
Select Executive Tier or Management Level	Select applicable Executive Tier or Management Level based on definitions.
Add Refinements	Provide all required executive refinements including information about **Geographic Scope of Role**
Resolve Validations & Submit Data	**Resolve alert validations and look holistically at whole executive structure** in your organization. Make changes to matched Tiers/Levels and/or Specializations if needed.

Job Matching

Select Executive Tier or Management Level

Focused on strategy development and setting organization direction

ET1	ET2	ET3

M60	M50

Support strategy development, but focused on its execution

Definitions

Select a Tier or Level definition closest to the role.

Consider multiple criteria

Complexity of function, specifics of direct and indirect reports, scope of responsibility, geographical and organizational breadth, organization parameters among other factors may impact the decision about selecting proper Tier/Level.

Executive Types

Executive Scope of Role

Mercer Job Library recognizes certain **similarities** in the **Nature of Work** of **Executive Jobs**.

Based on the **Executive Scope of Role**, each specialization is assigned with **one** of three **Executive Types:**

- Head of Organization

- Head of Major Function

- Head of Function

Facilitate Matching

Provide specializations subsets, so searching for jobs is quicker and determing job level easier.

Executive Type

A category defining executive scope of role

Enhance Survey Results

Categorize specializations to improve precision in validations and assessment of data.

Executive Types

Definition

Head of Organization

- Specializations focused on leading entire Organization, selected entity or line of business.
- Matching Tier depends mostly on the organization's parameters.
- Following Tiers may be included ET1, ET2 and ET3.

Head of Major Function

- Specializations focused on leading broad umbrella of associated functions.
- Incumbents in those roles lead multiple other Executives and Directors, typically matched to different specializations within the same Job Family.
- Following Tiers/Levels may be included: ET1, ET2, ET3 and M60.
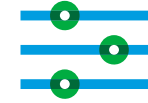
Head of Function

- Typically, responsible for a single business function or part of a function. If role leads any other Executive or Director, matching will most likely be within the same specialization.
- Following Tiers/Levels may be included: ET2, ET3, M60 and M50.
- Within those specializations lower career levels are typically also available.

Job Matching

Add Refinements

Provide Executive Incumbent Refinement for Geographic Scope within your Excel file or Mercer Data Connector

Improve Position Match

Refine Survey Results

Submitted data will be used to compare the match against last year data, validate matching precision and provide recommendations for re-matching if needed.

Additional information may create new possibilities to compare the data.

Job Matching

Geographic Scope Definitions

Global: Worldwide

Multi-Regional: Two or more Regions, e.g., Americas, EMEA, Latin America and APAC, APAC and Middle East

Regional: Commonly accepted Geo-political area or substantial number of countries, e.g., North America, Europe, Latin America, APAC, Africa, Middle East

Multi-Country: 3 to 8 countries within a region, e.g., Western or Eastern Europe, ASEAN, North Asia

In-Country: One country only, e.g., United States, Canada, Australia

District: Geographically significant area within a country; typically used in large geographically diverse countries, e.g., Pacific Northwest, Southeast, Southwest, Northeast, Beijing, Shanghai, Guangdong, Chengdu-Chongqing, Mumbai, New Delhi, East Java, West Java

Mercer Job Library Executive Framework

## Job matching validation – typical leveling in Executive Framework

Parent organization			
Geographic Scope of Role	**Head of Organization**	**Head of Major Function**	**Head of Function**
Global/Multi-Regional	ET1	ET1	ET2
Regional/Multi-Country	ET1	ET2	ET3
In-Country/District	ET2	ET3	M60

Non-parent organization (Subsidiary/Division(s))			
Geographic Scope of Role	**Head of Organization**	**Head of Major Function**	**Head of Function**
Global/Multi-Regional	ET1	ET2	ET3
Regional/Multi-Country	ET2	ET3	M60
In-Country/District	ET3	M60	M50

Job Matching Examples

Matching Examples

Typical Match #1

Company A	Global Parent

↓

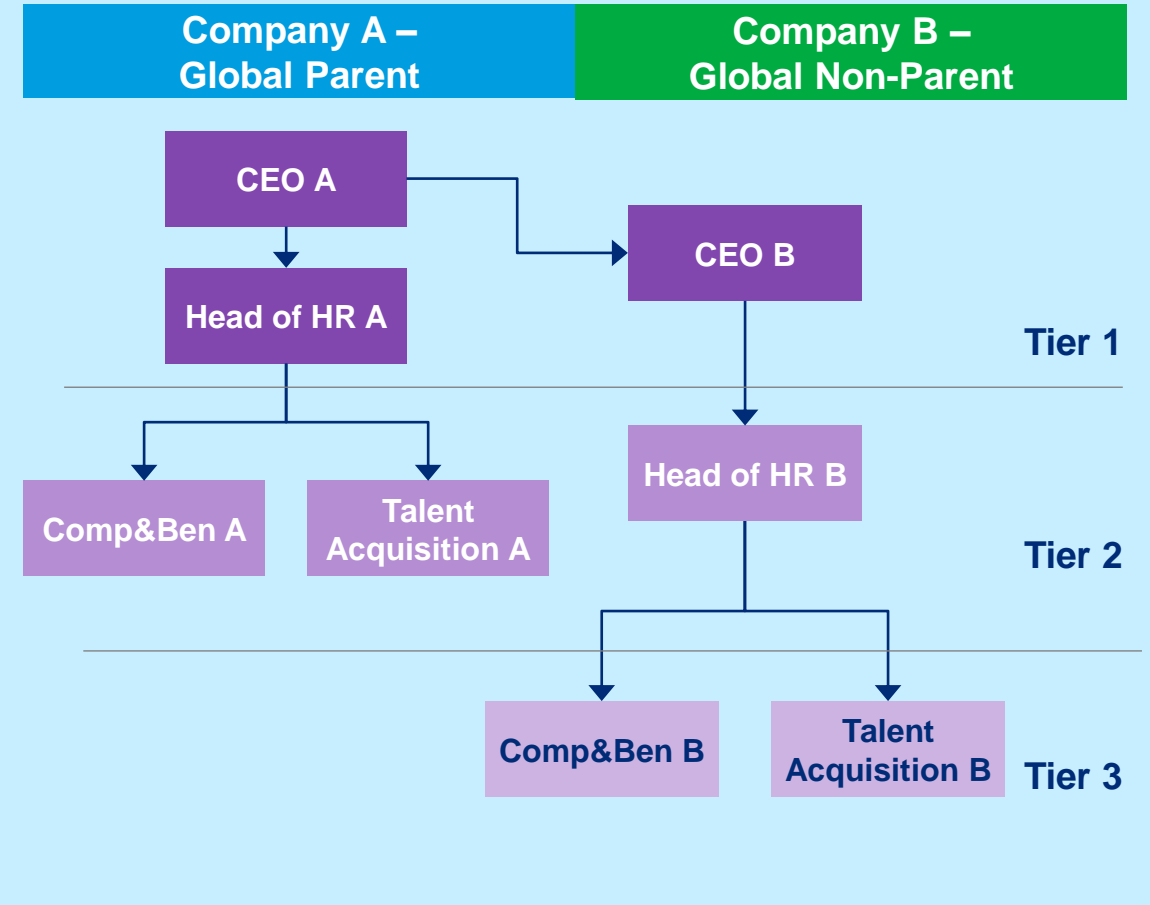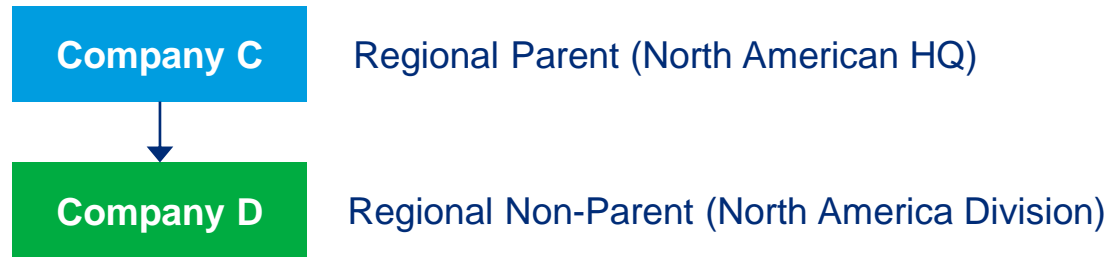| Company B	Global Non-Parent
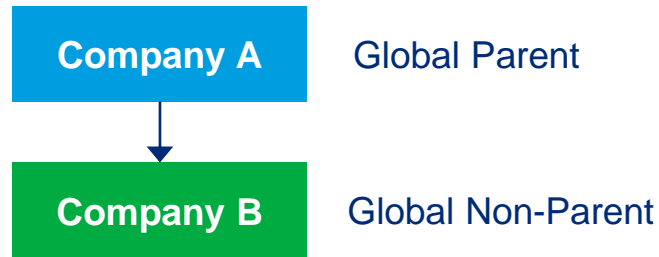
Company B is owned by Company A.

In this organization, multiple executives are matched to Tier 1. While those are on different internal levels and report to each other (Head of HR and CEO B reports to CEO A), their leadership breadth is similiar, as those are the top corporate executives of global organizations. Therefore all are matched to Tier 1 and more detailed results analysis can be obtained via incumbent refinements.
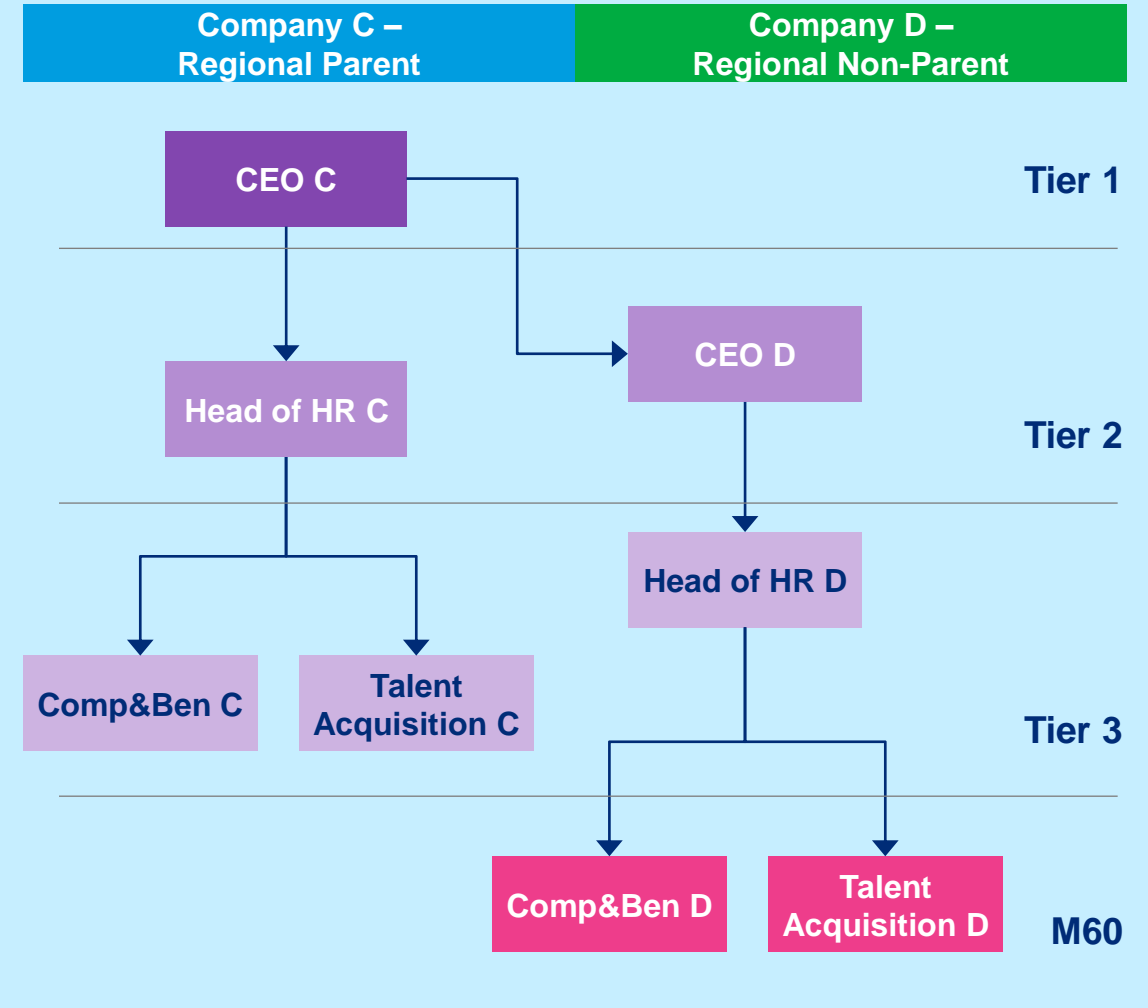

Mercer

Matching Examples

Typical Match #2

Company C — Regional Parent (North American HQ)

↓

Company D — Regional Non-Parent (North America Division)

Company D is owned by Company C.

In this example incumbents from Company D are typically matched one tier/level lower than incumbents sitting in similar type of roles in the regional headquarters (Company C).

Company C – Regional Parent	Company D – Regional Non-Parent

- CEO C — Tier 1
- CEO D
- Head of HR C — Tier 2
- Head of HR D
- Comp&Ben C
- Talent Acquisition C — Tier 3
- Comp&Ben D
- Talent Acquisition D — M60

Matching Examples

Typical Match #3

Company E — Single Country Parent (US Headquarters)

Company F — Single Country Non-Parent (United States Division)

Company F is owned by Company E.

Organizations shown in this example operate on a single market only.

Therefore, Executive Tier 1 is not utilized and even the CEO of the country headquarters is typically matched for Executive Tier 2

Company E – Single Country Parent	Company F – Single Country Non-Parent

Tier 1

CEO E

Tier 2

CEO F

Head of HR E

Tier 3

Comp&Ben E — Talent Acquisition E

Head of HR F — M60

Comp&Ben F — Talent Acquisition F — M50

Mercer