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MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

March 5, 2009

Dr. Nancy T. Tippins, Chair
Committee for the Review of the Occupational Information Network (O*NET)
Division of Behavioral and Social Sciences and Education
Committee on National Statistics
National Academy of Sciences

RE: Comments on the Occupational Information Network (O*NET)

Dear Dr. Tippins,

Mercer's workforce sciences group, the human capital research arm of Marsh & McLennan Companies (MMC), applauds the CNSTAT's initiative in convening a panel to conduct a review of and direction setting for the O*NET program. Mercer's workforce sciences group follows a research-based approach to consulting on the internal practices and the management of human capital by applying economic and I-O psychological principles for our domestic and multinational clients.

Within some of our consulting work, we apply the descriptors found within the O*NET data to provide a flexible and detailed structure to often and otherwise undefined jobs and related classifications at our client organizations. As one of the panel's objectives is to inventory the applications of O*NET data, we offer some of the areas in which we have found O*NET data and related applications particularly helpful within our work and research:

- Reconciling commonly used job titles to Standard Occupational Codes – the “Occupation Quick Search” functionality of the online.onetcenter.org website is invaluable for its ease of use and speed
- O*NET data's capability to help identify similarities across occupations
 - Within the context of a specific business, O*NET data has proven valuable in helping to define company-specific job groups based on shared descriptors among occupations
 - When looking at occupations with a limited supply of workers within the broader labor market, O*NET descriptors have been helpful in identifying alternative occupations to



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consider based on overlapping descriptors (that is, those with similar knowledge, skills, abilities, or work activities)

- Investigation of the effect of O*NET dimensions on workforce outcomes – such as employees' propensity to turnover, likelihood to receive higher pay levels, etc. – to determine the extent to which an organization is retaining and rewarding the right skills and competencies

Based on our exposure to the O*NET data to date, we propose a few areas for growth and future development for the panel's consideration:

- Inclusion of a descriptor for firm-specific knowledge
 - Defined as: the degree of knowledge required to successfully complete tasks which are unique to a single firm and therefore are not transferable across employers.
 - While the existing "Job Zone" descriptors approaches the firm-specific topic, at present these descriptors suggest that on-the-job training received upon entrance to the labor force is wholly transferable.
 - Our hypothesis is that the average degree of firm-specific knowledge needed to perform at a proficient level varies by occupation, and that the quantity of time to develop a proficient level of firm-specific knowledge is not correlated with the initial on-the-job training duration.
- Exploration of the degree to which similarities exist between O*NET / SOC descriptors and the occupational classifications in use in other countries (e.g., Canada, Australia, UK, India, Brazil)
 - O*NET descriptors have recently been shown to have application outside the US, [e.g., Taylor, P. J., Li, W., Shi, K. & Borman, W. C. (2008). The transportability of job information across countries. *Personnel Psychology*, 61(1), 69-111].
 - Employers are hampered from leveraging information on employment and wages collected by governments outside the US due to an undefined link between SOC's and the local classification system
 - Can an explicit cross-walk between O*NET descriptors, Standard Occupational Codes, and non-US occupational systems be established, to greater inform US employers with multinational operations?

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We appreciate the panel's consideration of our thoughts, and would gladly participate in an exchange of ideas at the panel's discretion.

For the Workforce Sciences Group at Mercer,

Damien DeLuca, 212 345 2684
Wendy Hirsch, 414 223 7970