

# **JOB EVALUATION**

## **Meaning and Definition:**

Job evaluation is a formal and systematic comparison of jobs in order to determine the worth of one job relative to another, so that a wage or salary hierarchy results.

The purpose of job evaluation is to determine the basic wage rates for different jobs.

## **Definitions of Job Evaluation.**

**According to Edwin B. Flippo** 'Job Evaluation is a systematic and orderly process of determining the worth of a job in relation to other jobs'.

**Kimball and Kimball** define job evaluation as "an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be".

## **Objective of Job Evaluation**

1. To Analyse the Job Factors and Requirement
2. To Facilitate Comparison and Survey
3. To Eliminate Inequalities
4. Determination of Wage Structure
5. Objectivity and Rationality in Wage Structure
6. To Solve Wage Controversies of Job Evaluation
7. To Eliminate Personal Prejudices
8. To Adopt a Clear Plan for Wage and Salary Administration
9. Standardization of Wage and Salary Rate

## **Job Evaluation Methods**

There are different methods that can be used for job evaluation. The easiest way to split these up is to make a distinction between qualitative and quantitative methods.

	<b>Qualitative</b>	<b>Quantitative</b>
<b>Job to job comparison</b>	Ranking method/ pair comparison ranking	Factor-comparison method
<b>Job to pre-determined grade comparison</b>	Job classification/ Grading Method	Point-factor method

### **1. Ranking System:**

Under ranking system all the jobs are arranged or ranked in the order of their importance from the simplest to the hardest, or in the reverse order, each successive job being higher or lower than the previous one in the sequence.

#### **Merits:**

- i) This method is simple and easy to understand and easy to explain to employees (or union).
- ii) Ranking method is very economical and less time consuming.
- iii) It involves little paper work.

#### **Demerits:**

- i) It does not indicate the degree of difference between different jobs
- ii) It involves subjective judgment, because a job is not analyzed and key factors are not considered.

### **2. Job Classification (Or) Grading Method:**

Under this system, a number of pre-determined grades or classifications are established by a committee and then the various jobs are assigned within each grade or class.

Grading or classification method involves the following five steps:

- i) The preparation of job descriptions, which gives us basic job information usually derived from job analysis.
- ii) The preparation of job descriptions, so that different levels or grades of jobs may be identified.
- iii) Selection of grades and key jobs. About 10 to 20 jobs are selected, which include all the major departments and functions and cover all the grades.
- iv) Grading the key jobs. Key jobs are assigned to an appropriate grade level and their relationship to each other studied.
- v) Classification of all jobs. All the jobs in the same grade receive the same wage or range of rates.

**Merits:**

- i) This method is easy to understand and simple to operate
- ii) It is more accurate and systematic than ranking method.
- iii) It provides an opportunity to develop a systematic organization structure
- iv) It is economical and suitable for small organizations also
- v) Pay grades can be compared with those of other concerns. Grouping of jobs into grades simplifies wage administration.
- vi) This method is used in government offices.

**Demerits:**

- i) It is very difficult to write accurate and precise descriptions of job grades.
- ii) Some jobs may involve tasks which overlap more than one grade. It is very difficult to classify such jobs in a particular grade.
- iii) The system is rigid and personal judgment is involved in deciding job classes and assigning jobs to specific classes.

**3. Factors Comparison Method**

This is a combination of both rating and point rating methods. It means rates jobs by comparing them and makes analysis by breaking jobs into compensable factors.

This system is usually used to evaluate white collar, professional and managerial positions.

**The mechanism for evaluating jobs under this method involves the**

### **following steps.**

1. Determine the compensable factors
2. Determine key jobs
3. Allocation present wages for key jobs
4. Place key jobs on a factor comparison chart
5. Evaluate other jobs

### **Merits**

1. It is more objective method of job evaluation
2. The method is flexible as there is no upper limit on the rating.
3. It is fairly easy method to explain to employees.
4. The use of limited number of factors (usually five) ensures less Chances of overlapping and over-weighting of factors.
5. It facilitates determining the relative worth of different jobs.

### **Demerits**

1. It is expensive and time consuming method.
2. Using the same five factors for evaluating jobs may not always be Appropriate because jobs differ across and within organization.
3. It is difficult to understand and operate.

## **4. The Points System:**

This method is most widely used type of job evaluation plan. It requires identifying a number of compensable factors (i.e. various characteristics of jobs) and then determining degree to which each of these factors is present in the job.

Once the degree of each factor is determined, the corresponding number of points of each factor are added and an overall point value is obtained. The sum of these points gives us an index of the relative significance of jobs that are rated.

### **The procedure involved in point method is as follows:**

- i) Determine the job to be evaluated
- ii) Select the factors (skill, efforts, responsibility, wage conditions etc) and sub-factors(education, experience, quality of output etc).
- iii) Define the factors.
- iv) Determine the Degrees
- v) Determine relative values of job factors

- vi) Assign point values to degrees.
- vii) Find point value of the job.
- viii) Assign money values.

### **Merits:**

- i) Point method is most comprehensive and accurate
- ii) Assignment of point scores and money value is consistent, it minimizes bias and human judgment.
- iii) Being the systematic method, workers of the organization favor this method.

### **Demerits**

- 1. It is both time-consuming and expensive method.
- 2. It is difficult to understand for an average worker.
- 3. a lot of clerical work is involved in recording rating scales.
- 4. It is not suitable for managerial jobs wherein the work content is not measurable in quantitative terms.

## **Job Evaluation Committee**

A job evaluation committee is a group of individuals within the organization responsible to conducting job evaluation and determining the relative value or worth of various jobs within the company.

### **Members of Job Evaluation Committee**

- 1. HR professionals
- 2. Job Analysts
- 3. Subject matter experts
- 4. Compensation specialists

### **Responsibilities:**

- 1. Job analysis
- 2. Selection of evaluation methods
- 3. Evaluation process
- 4. Documentation
- 5. Communication
- 5. Regular Review.

## **Factor Evaluation System**

The Factor Evaluation System (FES) is the method most often used to assign grades

to nonsupervisory positions under the General Schedule.

FES includes nine factors common to most nonsupervisory positions in General Schedule occupations.

The FES factors and their sub factors follow.

**Factor 1 - Knowledge Required by the Position**

- Kind or nature of knowledge and skills needed.
- How the knowledge and skills are used in doing the work.

**Factor 2 - Supervisory Controls**

- How the work is assigned.
- Employee's responsibility for carrying out the work.
- How the work is reviewed.

**Factor 3 - Guidelines**

- Nature of guidelines for performing the work.
- Judgment needed to apply the guidelines or develop new guides.

**Factor 4 - Complexity**

- Nature of the assignment.
- Difficulty in identifying what needs to be done.

**Factor 5 - Scope and Effect**

- Purpose of the work.
- Impact of the work product or service.

**Factor 6 - Personal Contacts**

- People and conditions/setting under which contacts are made.

**Factor 7 - Purpose of Contacts**

- Reasons for contacts in Factor 6.

Note: In some FES standards the point values for factors 6 and 7 are combined into a matrix

Chart. The levels of each factor are described separately.

### **Factor 8 - Physical Demands**

- Nature, frequency, and intensity of physical activity.

### **Factor 9 - Work Environment**

- Risks and discomforts caused by physical surroundings and the safety precautions Necessary to avoid accidents or discomfort.

## **Position Evaluation Statements**

Position Evaluation Statement gives a detail description about the various factors used to evaluate the job and different criteria's used to evaluate the job in the organization.

Factors	%	1	2	3	4	5	6	7
Knowledge and skill	30	255	295	340	390	450	520	600
Responsibility	23	200	300	350	400	460		
Complexity	15	170	195	225	260	300		
Supervisory Responsibility	10	0	50	90	150	175	200	
Nature	2	20	25	30	35	40		
Purpose	5	55	65	75	85	100		
Coordination	9	90	135	155	180			
Working condition: sensory	3	10	40	50	60			
Working conditions: Environmental	3	10	40	50	60			

ASHA KMM