

Compensation



Job evaluation refers to the establishment of the value of a job in an organization. It is an important process since it helps to determine how employees can be compensated in the organization. Job evaluation also helps translate internal alignment policies into practice. For instance, in loosely coupled policies, the employer determines which jobs would need at least some minimal supervision and co-ordination. In tight fitting organizations, the employers determine how coordination and supervision is done and how to set different rules in accordance with the job (Milkovich et al, 2011). In dealing with employees and the overall wellbeing of the company, job evaluation helps to structuralize the salary for employees. Jobs that have more worth need employees that are extremely skilled, have high levels of education, who are experienced, highly responsible, and are able to withstand any hazards. These kinds of employees would need a higher salary, and this would reduce any complaints of unfairness. Job evaluation helps a company to determine whether to create more job vacancies, which would help in combating problems that concern jobs that have more worth. It also helps to create policies that ensure harmonious relations between employers and their employees (Milkovich et al, 2011).

Job evaluation in an organization is far more important than analysing the market price. This is because it is the output of employees that determine what the market price will be. Jobs that have more worth are given special employees who are highly skilled and with more experience; this ensures that there is more output, which may translate to a high market-price, and this means that market pressure will be minimized. However, if there is no job evaluation, employees will tend to lose morale, and the company may

also employ unskilled employees for a certain type of job, which will lower the market price and hence increase market pressure (Milkovich et al, 2011).

One advantage of having employees involved in compensation decisions is that there will be employee satisfaction since employers are involved in contributing to making decisions that affect them. Secondly, it motivates the employee since he/she feels that they are a part of a larger group that cares for their needs in the company. The advantage of this process is that it promotes adversity in the workplace since some employees would feel underpaid in comparison to others, and it is also time consuming since it means involving employees in all decisions of the company at the moment they are supposed to be working (Milkovich et al, 2011).

The usefulness of job evaluation can be evaluated by analysing the benefits and losses of its recommendations after a certain period. If the analysis is positive, the job evaluation process was a success, and if the analysis turns out to be negative, the job analysis process was not helpful to the organization.

After job evaluation, the employer often determines which employees will serve certain employers and, therefore, the employer can be a source of gender bias in relation to competency. Secondly, employers do believe that males are suited for a certain job, and so they are likely to discriminate on what type of employees are assigned to certain individuals.