

# Guide to performing a job evaluation



**ASSIGN  
BUSTER**

## Contents

- Definition

What are the chief issues faced by the occupants in Portugal? Click on the drama button to watch the picture. Highlight the issues and expression for the solutions. Share your sentiments in the LMS Forum.

[ MMP: Create picture screen and embed picture as shown in nexus ]

Beginning: [hypertext transfer protocol: //www. youtube. com/watch? v=0vKDyPjmQD0](https://www.youtube.com/watch?v=0vKDyPjmQD0)

Job rating is the procedure of finding the worth of occupations assigned to employees. The worth of a occupation is determined by the demand for it in relation to its occupation description, occupation specification and the expected results from that occupation. In some instances, it is found that an employee who holds a similar place as his co-worker may keep a different function, and have different duties and answerability. In such instances, he/she should have different wage.

This chapter discusses the importance of occupation rating, basic occupation rating methods, the hay guide chart method, and inputs to mention to when pricing occupations.

## **Job Evaluation and Its Importance**

Job rating is the procedure of finding the value of one occupation in comparing to the other occupations within the administration so a just salary system can be established. The occupation rating procedure is the most

common method used to supply a principle for a wage construction and to delegate a occupation to a wage class.

Job rating can besides be defined as a practical technique for trained and experient employees to judge the size of one occupation comparative to others. It does non straight find the wage degrees but establishes the footing for an internal ranking of occupations.

Among other definitions are as follows:

Job rating is concerned with measuring the comparative demands of different occupations within the administration. Its usual intent is to supply a footing for associating differences in rates of wage to different in-job demands. It is hence a tool which can be used to assist find a wage construction.

( Advisory Conciliation and Arbitration Service ( ACAS ) , London 1984 )

A occupation rating system consists of paying factors and a burdening strategy based on the importance of each paying factor to the administration. Compensable factors are the features of occupations that an administration values and chooses to pay for. These features may include occupation complexness, working conditions, required instruction, required experience and duty.

( Noe et. Al. 2003 )

Job rating is a systematic process to find the comparative worth or value of occupations. Although there are several different attacks, each one considers the responsibilities, duties and working conditions of the occupation. The aim

of occupation rating is to place which occupations should be paid more than others.

( Schwind et. Al. 1999 )

The aims of a occupation rating procedure in an administration are as follows:

Establishes the comparative value or size of occupations, i. e. internal relations.

Produces the information required to plan and keep just and defensible class and wage constructions, critical in any administration.

Provides as a footing for rating occupations within a class construction, therefore enabling consistent determinations to be made about occupation scaling.

Ensures that the administration meets ethical and legal equal wage for work of equal value obligations.

More late the usage of occupation rating is the flexible joint of most equal wage instances. Despite its popularity, it is frequently misunderstood. So, the undermentioned facts about occupation rating must be made clear:

## **SELF-CHECK**

What is occupation rating and why is it of import?

What are the four facts about occupation rating?

## **Job Evaluation Methods**

The human resource direction is normally responsible for administering the occupation rating programme. However, existent occupation rating is typically done by a commission. The commission might include the human resource manager as the president and the finance, selling and production caputs.

## **Job Evaluation Committee**

### **Chairperson**

**( Human Resource Director )**

### **Head of Finance**

### **Head of**

### **Selling**

### **Head of Production**

Figure 8. 1: The occupation rating programme is typically performed by a commission within the administration

Small and medium sized administrations may elect to utilize outside advisers as they frequently lack occupation rating experience. When using a qualified adviser, direction should necessitate the adviser to develop an internal occupation rating programme and develop company employees to administrate it right. This can be done by reexamining information obtained through occupation analysis sing the responsibilities, duties and working conditions of the administration. With this cognition, the comparative worth of occupations is determined and the adviser will be able to determine a

occupation rating programme suited to the company by choosing an appropriate occupation rating method.

Figure 8. 2: The 10 basic stairss in carry oning an effectual

occupation rating

There are four basic occupation rating methods normally used by administrations. They are occupation ranking, occupation categorization ( or occupation scaling ) , factor comparing and the point system. Job ranking and occupation categorization are categorised as non quantitative methods while factor comparing and the point system are classified as quantitative methods. A occupation rating commission or an outside adviser demands to take one method and modify the method to accommodate the administration ' s peculiar demand.

Figure 8. 3: Job rating methods

## **Job Ranking Method**

In the superior method, occupations are compared to each other and arranged in order harmonizing to their worth to the administration. The ' worth ' of a occupation is normally based on opinions of accomplishment, attempt ( physical and mental ) , duty ( supervisory and financial ) , and working conditions.

The stairss involved in ranking occupations are

## **Rank Jobs**

Make an overall comparing between occupations, by concentrating on certain factors such as, duty, accomplishments, attempt, and working conditions. It is possible that elements of some occupations may be overlooked or weighed excessively to a great extent.

Rank occupations from the highest to the lowest. The highest and lowest are ranked foremost, followed by the following highest to the following lowest, until all occupations are ranked.

Conduct occupation analysis and write occupation descriptions.

Wage graduated tables are established based on the rankings, where more of import occupations are paid more. However, as the ranking of occupations are subjective and lack preciseness, the wage degrees may be inaccurate.

The occupation ranking method is possibly the simplest method of occupation rating but it is besides known to be the least precise among the four rating methods.

## **WEB-SITE**

Find out the 10s worst occupations in the US of 2010. Travel to:

hypertext transfer protocol: //www. huffingtonpost. com/2010/01/06/worst-jobs-2010-careercas\_n\_413511. html

## **Job Classification**

Job categorization is a signifier of rating that assigns occupations to an bing grade/category construction harmonizing to their comparative worth to the

<https://assignbuster.com/guide-to-performing-a-job-evaluation/>

administration. First, occupation classes or classes are established and each is given a standard description, as shown in Table 8. 1.

Table 8. 1: A Job Classification agenda for usage with Job Grading Method

## **Job Grade**

### **Standard Description**

I

Work is simple and extremely insistent ; done under close supervising ; requires minimum preparation and small duty, or enterprise.

Two

Work is simple and insistent ; done under close supervising ; requires some preparation or accomplishment. Employee is merely seldom expected to presume duty or exhibit enterprise.

Three

Work is simple, with small fluctuation ; done under general supervising ; preparation or accomplishment is required. Employee has minimum duty and must take some enterprise to execute satisfactorily.

Four

Work is reasonably complex, with some fluctuation ; done under general supervising ; requires high degree accomplishments. Employee is responsible for equipment and safety, and must exhibit inaugural on a regular basis.



Volt

Work is complex and varied ; done under general supervising ; requires advanced degree accomplishments. Employee is responsible for equipment and safety, and must demo a high grade of enterprise.

Next, the standard description that most about matches a occupation description determines the class of that occupation.

Job categorization or occupation scaling is somewhat more sophisticated than occupation ranking, but it excessively is non really precise.

## **Factor Comparison**

In the factor comparing method, each occupation is ranked harmonizing to a series of factors. This method includes five major stairss.

Under this method, alternatively of ranking complete occupations, each occupation is ranked harmonizing to a series of factors ( as shown in Figure 8. 3 ) .

Figure 8. 4: The five cosmopolitan occupation factors

Job judges must so place factors relevant and common in a wide scope of occupations as shown in Table 8. 2. A numerical point value is assigned to each occupation factor. The weights might be different for different occupation places. Some administrations use different factors for managerial, professional, gross revenues and other places.

Table 8. 2: Factors relevant and common in a wide scope of occupations

**Occupation**

**Mental**

**Skill**

**Physical**

**Duty**

**Working Condition**

System Analyst

1

4

2

1

3

Data Entry Clerk

4

1

1

4

1

Programmer

2

3

3

2

4

Operator

3

2

4

3

2

Note:

In the mental demand, systems analyst ranked highest ( 1 ) , followed by coder ( 2 ) , operator ( 3 ) and clerk ( 4 ) .

The rating allows the commission to find the comparative importance of each occupation. In this method, pay will be assigned by comparing the weights of the factors required for each occupation. This method of occupation rating is more systematic.

## **Point System**

This method evaluates the critical factors of each occupation. But alternatively of utilizing rewards, as the factor comparing method does, it uses points. Under the point evaluation system, a figure of factors such as accomplishment, attempt, duty and on the job conditions are identified as being common to all occupations being evaluated. Each factor is so given a burdening bespeaking its values relative to the others and for each factor there are changing grades ( as shown in Table 8. 3 ) .

Table 8. 3: Point system matrix

**No.**

**Critical Factors**

**Degrees or Degrees**

**Minimum**

**I**

**Low**

**Two**

**Moderate**

**Three**

**High**

**Four**

**1**

**Duty**

Safety of others

25

50

75

100

Equipment and stuffs

20

40

60

80

Helping trainees

5

20

60

50

Product/ Service Quality

20

40

60

80

**2**

**Skill**

Experience

45

90

135

180

Education / Training

25

50

75

100

**3**

**Attempt**

Physical

25

50

75

100

Mental

25

70

105

150

**4**

## **Working Condition**

Unpleasant status

20

20

60

80

Hazards

20

40

60

80

## **Entire Points**

### **100**

A occupation description is prepared for each occupation and a commission so considers each description in bend, comparing it factor by factor, with the degree definitions. Points are allocated for each factor and the entire point value determines the comparative worth of each occupation.

A point system is more precise than the factor comparing method because it can manage critical factors in more item. This method is besides used more than the other methods. Some 95 % of the major corporations in the US are thought to utilize some fluctuation of this method to measure occupations.

Accountability

Accuracy

Analysis and judgement

Complexity

Contact and diplomatic negotiations

Creativity

Decision-making

Dexterity ( clever, adept, neatness )



Education

Effectss of mistakes

Attempt

Enterprise

Judgment

Know-how

Knowledge and skill

Mental attempt

Mental Fatigue

Physical demands

Physical accomplishments

Planing and coordination

Problem-solving

Duty for cash/material/confidential

Information equipment, procedure, record and studies

Social accomplishments

Supervision given/received

Undertaking completion

Training and experience

Work status

Work force per unit area

Figure 8. 5: A list of factors used most often in the point evaluation method as prepared by the International Labour Organisation ( ILO )

## **SELF-CHECK**

Describe how each of the four occupation rating methods below determine the worth of a occupation to an administration.

a ) Job ranking

B ) Job categorization

degree Celsius ) Factor comparing

vitamin D ) Point system

## **Hay Guide Chart**

The occupation rating procedure is tremendously clip consuming, complex and frequently a frustrating undertaking as it is subjected to political force per unit areas and prejudices that is natural among commission members who represent different functional countries. It has been proven that the occupation rating procedure is easier to make if the commission compares factors common to all occupations ( paying factors ) .

For measuring direction occupations, the Hay Guide Chart Profile Method is the most popular method. This method provides a common ' language ' , an organized model and the standards to guarantee that opinions applied can be tested and defended in an aim, consistent and just mode. This method is based on measuring three chief factors, which are:

cognize how

job work outing

answerability

**Input signal**

**Procedure**

**Contribution**

**KNOW-HOW**

**PROBLEM Resolution**

**Accountability**

Figure 8. 6: The Hay Guide Chart Method

**( a ) Know How**

Knowledge, accomplishments and experience needed for acceptable occupation public presentation. It consists of three dimensions which are:

**Scientific subjects, specialised techniques, and practical process**

The deepness and scope of specialized cognition required to execute the occupation. It requires a deep authoritative cognition in countries of

considerable significance to the administration subjects or general cognition required to cover with strategic issues at the most senior degree within the administration.

### **Managerial know-how**

Requirements needed in the occupation to be after, oversee, co-ordinate and incorporate different activities, resources or parts of the administration.

### **Human relation accomplishments**

Skills needed to pass on with and influence persons and groups within and outside the administration to accomplish the necessary consequences.

### **( B ) Problem Solving**

The span, complexness and degree of analytical, appraising and advanced idea required in the occupation. The job work outing factor has two constituents. They are:

### **Thinking environment**

The environment in which believing takes topographic point. Identifies and references jobs that arise. Depends on the absence or presence of policy, process, supervising every bit good as other counsel.

### **Thinking challenge**

Thinking done to measure the complexness of jobs encountered, runing from simple to complex state of affairss. Besides involves the extent of original thought needed to get at decisions.

## **( degree Celsius ) Accountability**

Discretion given to the occupation holder to influence or find the class of events and his/her accountability for the effects of his/her determinations and actions. Accountability has three dimensions which are:

### **Freedom to Act**

Assesses the grade of freedom of action given to a occupation by the administration.

### **Magnitude**

Gauges how much of the administration is effected by the occupation holder ' s achievement of the occupation.

### **Job impact on terminal consequences**

Concerned with how straight the occupation affects end consequences in that country.

## **SELF-CHECK**

Explain the three factors that the Hay Guide Chart method considers in measuring the worth of a occupation to the administration.

### **Pricing Jobs**

Pricing occupations are divided into two activities:

Establishing the appropriate wage degree for each occupation.

Grouping the different wage degrees into a construction that can be managed efficaciously.

It would not be unusual, for example, for the director of Motorola to regularly provide pay information on various positions. Firms in the community like Hewlett Packard place various positions such as care applied scientist, electrical applied scientist, computer operators or clerks-typists and give comprehensive descriptions of these occupations.

During the pay study, assorted information can be requested ( as shown in Figure 8. 7 ) .

Figure 8. 7: Information that can be requested

when carrying out a pay study

### **( a ) Pay Level**

The appropriate wage degree for any occupation reflects its comparative and absolute worth. An occupation ' s comparative internal worth is determined by its ranking through the occupation rating procedure. The absolute worth of the occupation is controlled by what the labour market wages for similar occupations.

Figure 8. 8: Wage degree

Beginning: <http://www.nursingtimes.net/whats-new-in-nursing/acute-care/pay-levels-confirm-lower-status-of-nurses/5008226>.

article

## **( B ) Scattergram**

In order to put the right wage degree, the occupation rating ranking and the study pay rates ( the traveling rates in the industry ) are combined through the usage of a graph called the scattergram.

[ GD: Insert image of scattergram ]

Figure 8. 9: Scattergram

## **( degree Celsius ) Wage-trend line**

Through the points that represent cardinal occupations, a wage-trend line is drawn as near to as many points as possible ( the line can be drawn freehand ) . Most significantly, this method can be used to place occupations whose wage is out of the tendency line. When a occupation ' s wage rate is excessively high, it should be identified as a “ ruddy circle ” rate.

Undervalued rates ( pay rate is excessively low ) carry a “ green circle ” and efforts should be made to allow these occupations an mean wage addition.

Figure 8. 10: Wage-trend line

## **( vitamin D ) Wage construction**

Jobs that are similar, in footings of category classs and points, are grouped together. For case, wage grade 1 may cover 0-100 points, wage grade 2 from 1-200 points, and so on. The consequence is a hierarchy of rewards. The more of import occupations are paid more, and as persons assume occupations of greater importance, they rise within the rewards construction.

Figure 8. 11: Wage construction

Beginning: [hypertext transfer protocol: //skorcareer. com. my/images/salary-survey-asia. jpg](http://skorcareer.com/my/images/salary-survey-asia.jpg)

Rate scopes are merely pay scopes for each occupation category. For illustration, the wage-trend line indicates that \$ 8. 00 is the mean hourly rate for a peculiar occupation category. With a rate scope of \$ 1 for each category, a fringy performing artist is placed at a center or \$ 8. 00. When performer assessments indicate above-average public presentation, the employee may be given a virtue rise of, say 25 cents per hr. Once the employee reaches the top of the pay scope, no more pay addition will be forthcoming. Either a publicity or a general all-embracing wage rise needs to happen for this worker to transcend \$ 8. 50 an all-embracing addition moves the full pay tendency line upward.

As new occupations are created, the pay and salary subdivision of the forces section performs a occupation rating. For this rating, the new occupation is assigned to an appropriate occupation category. If rate scopes are used, the new officeholder will get down at the underside of the scope and receive rises, where appropriate, to the top of the rate scope.

## **SELF-CHECK**

What are the inputs that can be requested when carry oning a pay study to monetary value occupations?

## **Case Study**

The Thai Silk Company, Ltd.



Beginning: [hypertext transfer protocol: //www. retireearlylifestyle. com/ThaiSilk. html](http://www.retireearlylifestyle.com/ThaiSilk.html)

#### ( a ) Thai Silk Industry

The production of Thai silk involves a figure of phases. The earliest fibre production, was carried out by about 500, 000 single provincial households chiefly in the economically-depressed northern part of the state. Several hundred household houses located in the larger provincial towns and in Bangkok undertook intermediate phases – dyeing, whirling and weaving. The concluding phases – printing, converting and retailing – were dominated by fewer than 100 endeavors located in Bangkok.

#### ( B ) Coating and Converting

Thai silk moved straight from weavers into retail channels to be sold as cloth. However, a part was “ finished ” ( e. g. printed with a design ) and/or “ converted ” ( e. g. made into a pillow instance, garment, window curtain, etc. ) before making retail. There were seven completing constitutions in the state, all located in Bangkok. The largest of these was a 51 % -owned joint venture of Thai Silk Company Ltd. ( TSC ) . It contained 16 manus picture tabular arraies compared to merely 10 by its following largest rival. It was the lone closer in the state specializing in silk to have an automatic printing machine.

#### ( degree Celsius ) Proposed New Weaving Mill

On top of these alterations, an of import new development is presently under consideration. It involves a proposed 51-owned weaving joint venture, the <https://assignbuster.com/guide-to-performing-a-job-evaluation/>

Thai Silk Handweaving Co. Ltd. ( TSHC ) . The works was to be located at Pakthongchai in Korat Province about 100 stat mis north-east of Bangkok. It would ab initio incorporate 120 manus looms of the tradiational assortment with capacity to provide approximately 20 % of TSC ‘ s cloth demands. Presently, there are programs for an addition in the figure of looms to 600 over a 6 twelvemonth period. TSC ‘ s portion of initial capitalization would amount to 2. 4 million Baht.

## **SELF-CHECK**

**The silk production involves many procedures and phases, from dyeing to printing and retailing. As the Human Resource director, how would you monetary value the wage for employees working in the different phases of the silk production?**

### **Drumhead**

This chapter introduced you to occupation rating, its methods, the hay guide chart method, and inputs to mention to when pricing occupations. We have learned that:

Job rating is the procedure of finding the value of one occupation in comparing to the other occupations within the administration so a just salary system can be established. It is the most common method used to supply a principle for a wage construction and to delegate a occupation to a wage class.

Job rating is normally administered by the human resource director. However, it is typically performed by either a commission within the administration or by outside advisers.

<https://assignbuster.com/guide-to-performing-a-job-evaluation/>

The four basic occupation rating methods normally used by administrations are:

Job ranking

Job categorization ( or occupation scaling )

Factor comparing

The point system

The hay guide chart method of measuring occupations buttockss three chief factors:

Know-how

Problem work outing

Accountability

When executing a occupation study to monetary value occupations, the undermentioned information can be requested:

Pay degree

Scattergram

Wage-trend line

Wage construction

## **Glossary**

### **Footings**

#### **Definition**

Factor comparing

Each occupation is ranked harmonizing to a series of factors, viz. mental demand, accomplishment, physical demand, duties and working conditions.

Hay guide chart method

A occupation rating method that considers know-how, job resolution and answerability.

Job classification/Job rating

A signifier of rating that assigns occupations to an bing grade/category construction harmonizing to their comparative worth to the administration.

Job rating

The procedure of finding the value of one occupation in comparing to the other occupations within the administration so a just salary system can be established.

Job ranking

Jobs are compared to each other and arranged in order harmonizing to their worth to the administration.

Pay degree

What the labour market wages for similar occupations.

### Wage construction

Jobs that are similar, in footings of category classes and points, are grouped together.

### Point system method

Evaluates the critical factors of each occupation. But alternatively of utilizing rewards, as the factor comparing method does, it uses points.

### Scattergram

A graph that uses aforethought points to stand for a set of informations.

### Wage-trend line

A line drawn every bit closely as possible to as many points stand foring cardinal occupations in a graph.