SOS POLITICAL SCIENCE AND PUBLIC ADMINISTRATION JIWAJI UNIVERSITY,GWALIOR

MBA H.R.D. IV SEM PAPER: HRD-**402** SUBJECT NAME: MANPOWER POLICY & PLANNING

TOPIC : JOB EVALUTION

Meaning of Job Evaluation

❖ Job evaluation : Systematic way of determining the value or worth of a job in relation to other jobs in an organization.

❖ It tries to make a systematic comparison b/w jobs to assess their relative worth for the purpose of establishing a rational pay structure.

Features of Job Evaluation

❑ **Tries to assess jobs, not people.**

❑ **Standards of J/E are relative, not absolute.**

❑ **Basis of Job Evaluation is job analysis.**

❑ **Carried on by groups not individuals.**

❑ **Degree of Subjectivity is always present.**
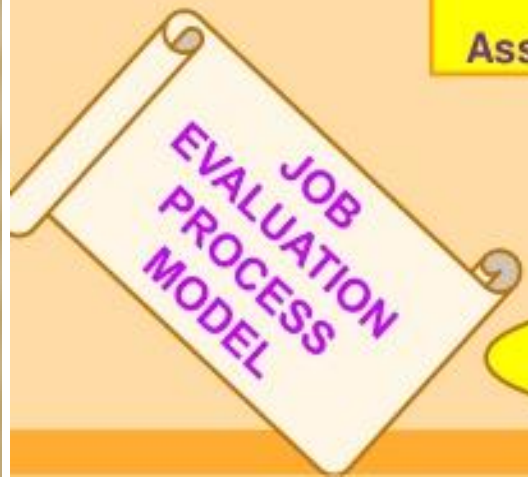
Objectives of job evaluation

- to find out the value of work, but this value which varies from time to time and from place to place under the influence of certain economic pressures

- to supply bases for wage negotiations founded on facts rather than on any vague ideas.

- The technique of job evaluation can also be used to determine not only what the job is worth but also the value of each of the aspects such as the skill and responsibility levels.

Job Evaluation Vs Performance Appraisal

Point	Job Evaluation	Job Appraisal
1.Meaning	Finding the relative worth of a job.	Finding the worth of a jobholder.
2.Aim	Determine wage rates of different jobs.	Determining incentives and rewards for superior performance.
3.Shows	How much a job is worth	How well an individual is doing an assigned work.

Job analysis

The procedure for determining the duties and skills requirement of a job and the kind of person who should be hired for it.

Job Description: a list of job's duties, responsibilities, reporting relationship ,working condition, and supervisory responsibilities

Job specification: A list of job's human requirements, that is the requisite education, skills personalities etc.

Job Evaluation Vs Job Analysis

- **Job Analysis : A systematic way of gathering information about a job.**

- **Job Evaluation begins with job analysis and ends at the point of determination of worth of a job.**

Prerequisites of Job evaluation

- A well designed and drafted form and questions
- Which jobs and employee have to be covered.
- One jobs should be compared with others
- The process should be properly communicated.
- Employees should be given proper training in advance
- The methods should accept in open mind.

Process of Job Evaluation

Gaining Acceptance

Creating Job evaluation Committee
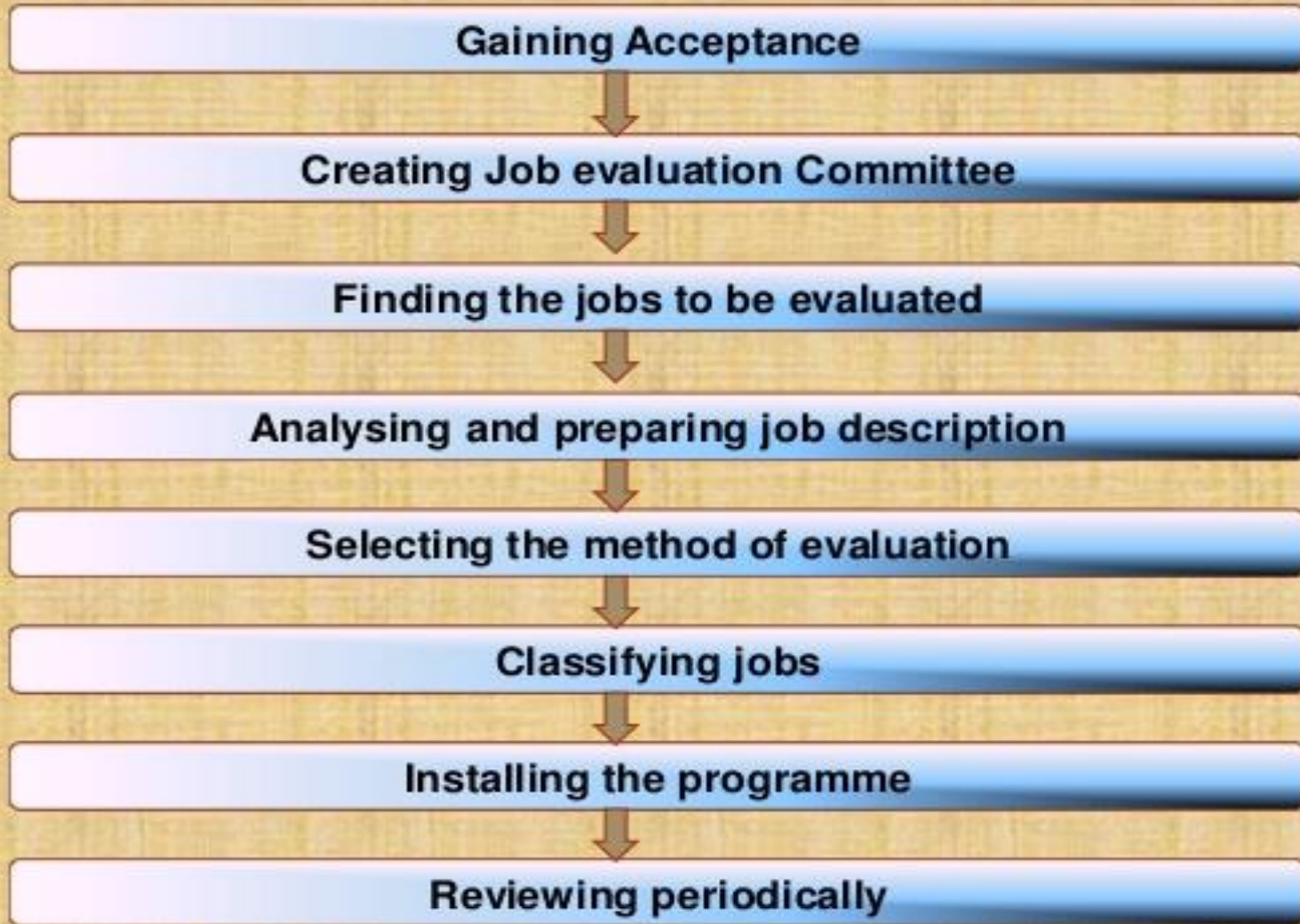
Finding the jobs to be evaluated

Analysing and preparing job description

Selecting the method of evaluation

Classifying jobs

Installing the programme

Reviewing periodically

Job Evaluation : Perspective & Design

- Results of Job Analysis & Job Description serve as input for evaluating jobs & establishing job structure

- set of systematic procedures to determine the relative worth of jobs within the organisation

- Job Evaluation involves the systematic evaluation of the Job Description based on many factors:

  – Content of the work
  – Relative value of the work to the organization
  – Culture of the work place
 – External market forces

- It is the process by which work at various levels is compared within an organization.
- The ultimate goal of job evaluation is the establishment of a hierarchical structure of jobs based on a common set of criteria. These evaluation criteria are generally expressed in the form of "compensable factors":
- most organizations use following four broad categories of compensable factors.
- 1.Skill needed to perform the job,
- 2. Effort required to complete the job,
- 3. Responsibility that goes with the expectation, and
- 4. Working Conditions under which jobs are performed

Conducting Job Evaluation: Guidelines

❖ **Rate the job-not the person or employee on the job.**

❖ **Strive to collect all the facts accurately.**

❖ **Look especially for distinguishing features of jobs and relationship to other jobs.**

❖ **Job evaluation must be conducted systematically, based on factual and accurate information.**

❖ **The result must be fair, rational and unbiased to the individuals being affected.**

Job Evaluation : Methods

- 4 fundamental JE methods:

  1. Ranking – whole job is compared against other whole jobs on some general notion of value / job content

  2. Classification – concepts of value / work content are divided into categories / classes & jobs are slotted into these categories

  3. Factor comparison – content & value are broken down into factors & jobs are evaluated by the degree of each factor the job possesses.

  4. Point plan – content and value are broken down into factors and jobs and evaluated by the degree of each factor the job possesses
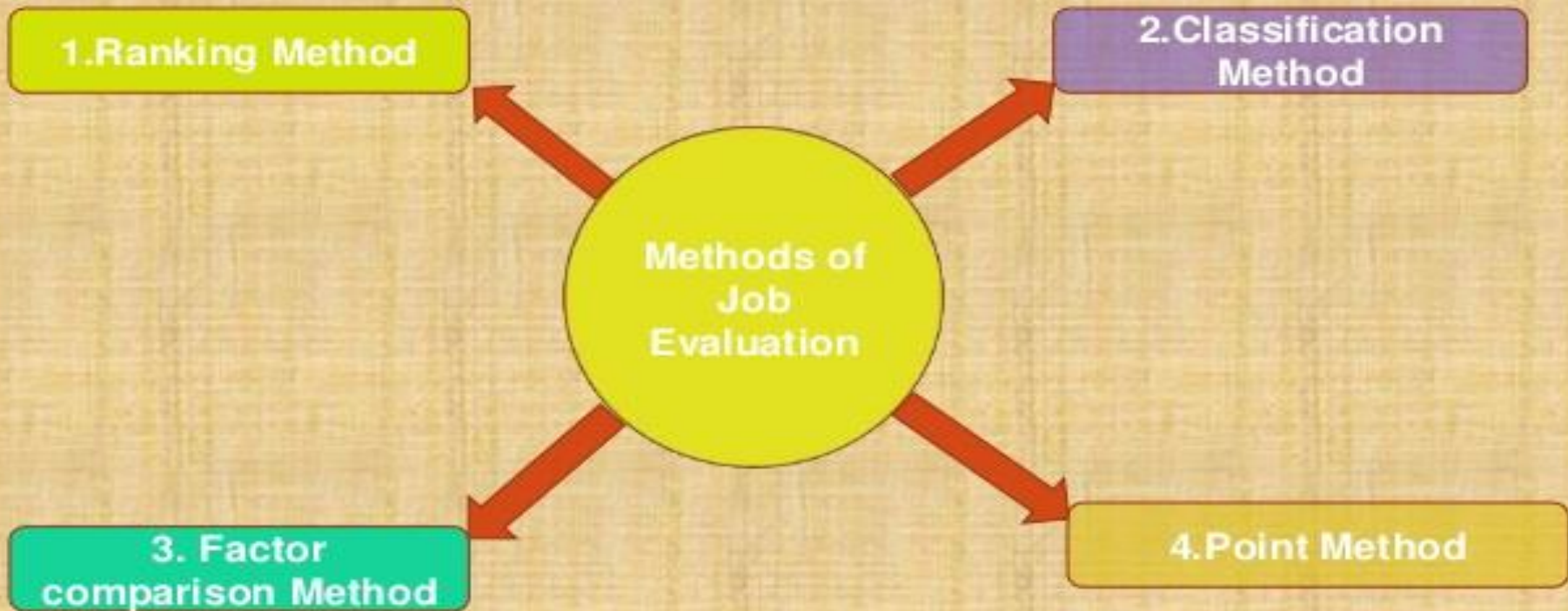
1. Ranking Method

- As per this method, jobs are arranged from highest to lowest, in order of their values or merit to the organisation.

- Jobs can also be arranged according to the relative difficulty in performing them.

- The job at the top has the highest value and job at the lowest has the lowest value.

- Jobs are arranged in each department and then department ranking are combined to develop an organisation ranking.

e.g.- Ranking of jobs in any department can be done as follows-

	Rank	Monthly Salaries(in INR)
1.	Accountant	3000
2.	Accounts Clerk	1800
3.	Purchase Assistant	1700
4.	Machine-operator	1400
5.	Typist	900
6.	Office boy	600

The variation in payment of salaries depends upon the nature of the job performed by the employees. Also the ranking shows the variation in type of job being performed.

Merits of Ranking Method

- Simple to understand and practice.
- Best suited for small organisation.

Demerits of Ranking Method-

- Ranks are highly subjective in nature.
- Rankings are difficult to develop in large, complex organisation.
- May offend employees.

2. Classification Method

As per this method, a predetermined group of jobs are assigned to their classification.

Class	Rank	Employees
Class1	Executives	Office manager, Deputy office manager, Office superintendent etc.
Class2	Skilled Workers	Purchasing Assistant, Cashier, Receipts clerk etc.
Class3	Semiskilled workers	Stenotypists, Machine-operators etc.
Class4	Less skilled workers	Daftaris, File clerks, Office boys etc.

nature of the job performed by the employees. Also the class shows the variation in type of job being performed.

Merits of Classification method-

- ❖ Less subjective as compared to ranking method.
- ❖ Very easy to understand
- ❖ Acceptable to all employees without hesitation.
- ❖ Takes into account all the factors that a job comprises.

Demerits of Classification Method-

- ❖ Requirement of jobs is not taken into account.
- ❖ Difficult to write all-inclusive descriptions of a grade.
- ❖ Oversimplifies sharp differences b/w different jobs and grades.
- ❖ Due to mismatch of jobs and grades, the evaluator have the tendency to classify the job using their subjective judgment.

3. Factor comparison method

- Under this method, instead of ranking complete jobs, each job is ranked according to a series of factors. These factors include mental effort, physical effort, skill needed, responsibility, working conditions etc.

- Pay will be assigned in this method by comparing the weights of factors required for each job

- Wages are assigned to the job in comparison to its ranking on each job factor.

❑ Steps in Factor Comparison method-

❖ Select key jobs (say 15 to 20), representing wage/salary levels across the organisation. The selected jobs must represent as many departments as possible.

❖ Find the factors in terms of which the jobs are evaluated (such as skill, mental effort, responsibility, physical effort etc.)

❖ Rank the selected jobs under each factor (by each and every member of the job evaluation committee) independently.

❖ Assign money value to each level of each factor (example: consider problem solving is one of the factor, what level of problem solving is required {basic, intermediate or advance}) and determine the wage rates for each key job.

❖ The wage rate for a job is apportioned along the

An Example of Factor comparison method

Key job	Daily Wage Rate	Physical Effort	Factors Mental Effort	Skill	Responsibility	Working conditions
Electrician	60	11(3)	14(1)	15(1)	12(1)	8(2)
Fitter	50	14(1)	10(2)	9(2)	8(2)	9(1)
Welder	40	12(2)	7(3)	8(3)	7(3)	6(3)
Cleaner	30	9(4)	6(4)	4(5)	6(4)	5(4)
Labourer	25	8(5)	4(5)	6(4)	3(5)	4(5)

Suppose the job of a painter is found to be similar to electrician in skill (15), fitter in mental effort(10), welder in physical effort (12), cleaner in responsibility (6) and labourer in working conditions(4). The wage rate for this job would be (15+10+12+6+4) is 47.

4. Point Method

- Jobs are expressed in terms of key factors
- Points are assigned to each factor after prioritizing each factor in order of importance.
- The points are summed up to determine the wage rate for the job
- Jobs with similar point totals are placed in similar pay grades.

Procedure of Point method

- Select key jobs. Identify the factors common to all the identified jobs such as skill, effort, responsibility, etc

- Divide each major factor into a number of sub factors. Each sub factor is defined and expressed clearly in the order of importance, preferably along a scale.

- Find the maximum number of points assigned to each job (after adding up the point values of all sub-factors of such a job).

- **4.** Once the worth of a job in terms of total points is expressed, the points are converted into money values keeping in view the hourly/daily wage rates.

Point method of Job Evaluation

Degree	Define
1	Able to carry out simple calculations; High School educated
2	Does all the clerical operations; computer literate; graduate
3	Handles mail, develop contacts, takes initiative and does work independently; post graduate.

FACTORS	Points Values for Degrees					TOTAL
	1	2	3	4	5	
Skill	10	20	30	40	50	150
Physical effort	8	16	24	32	40	120
Mental effort	5	10	15	20	25	75
Responsibility	7	14	21	28	35	105
Working Conditions	6	12	18	24	30	90

Maximum total points of all factors depending upon their importance to job=150

Cont....

Point Range	Daily Wage Rate(Rs.)	Job Grade of Key bank officials
500-600	300-400	1 Officer
600-700	400-500	2 Accountant
700-800	500-600	3 Manager I Scale
800-900	600-700	4 Manager II Scale
900-1000	700-800	5 Manager III Scale

- **Merits of Point Method :-**
  - ❖ Superior and widely used method of evaluating jobs.
  - ❖ Forces raters to look into all key factors and sub-factors of a job.
  - ❖ The methodology underlying the approach contributes to a minimum of rating error.

- **Demerits of Point Method:-**
  - ❖ Complex method.
  - ❖ Time consuming process.
  - ❖ May be too taxing, especially while evaluating managerial jobs where the nature of work is such that it cannot be expressed in quantifiable numbers.

Major Evaluation Method: Comparative Study

Method	What fact of job is Evaluated	How is job Evaluated	Types of Methods	Major Advantage	Major Disadvantage
Ranking	Whole job(Compensable factors are implicit)	Jobs are subjectively ordered according to relative worth.	Non-Quantitative	Relatively quick and expensive	Entirely subjective
Classification	Whole job	Compare job to descriptions	Non-Quantitative	Readily available and expensive	Cumbersome system
Factor comparison	Compensable factors of job	Compare job to key jobs on scale of compensable factors	Quantitative	Easy to use	Hard to construct; inaccurate over time
Point Method	Compensable factors of job	Compare job to Standardized description	Quantitative	Accurate and overtime	May be costly

Benefits of Job Evaluation

➢ Link pay with the requirements of the job.

➢ Systematic procedure for determination the relative worth of jobs.

➢ Outcome is an equitable wage structure.

➢ Employees and unions are also an active part of the Job evaluation process.

➢ Helps in evaluation of new jobs.

➢ Points out possibilities of more appropriate use of the plant's labour force.

Job Evaluation : Demerits

- Not exactly scientific
- Factors taken by the programme are not exhaustive.
- There may be wide fluctuations in compensable factors in view of changes in technology, values and aspirations of employer, etc.
- Employees, trade union leaders, management and the programme operators may assign weight to different factors, thus creating grounds for dispute.

THANK YOU