

Job Evaluation

Key Facts



What is job evaluation?

ACAS defines job evaluation as 'a method of determining on a systematic basis the relative importance of a number of different jobs'. It is a way of sizing jobs relative to each other.

Why use job evaluation?

Job evaluation is basically all about trying to create some order and structure in the business. Underlying this is a need to ensure people are rewarded fairly for the work they do relative to others. The benefits vary depending on the approach taken as shown in the table below. However typically the benefits are that job evaluation:

- ◆ Provides a basis for designing a grading structure managing pay.
- ◆ Makes external benchmarking easier.
- ◆ Creates a greater sense of fairness.
- ◆ Helps meet legal obligations, e.g. Equal Pay.
- ◆ Provides a structure for benefits provision.

Are there any drawbacks?

Yes, there can be. Again there are different issues depending on the approach taken as shown in the table below. Potential dangers include:

- ◆ It can be time-consuming to develop, implement and maintain.
- ◆ It implies a degree of scientific rigour that is rarely delivered.
- ◆ If the particular approach is not aligned to the organisation it can become a barrier instead of an enabler.

What types of job evaluation are there?

The approaches vary in terms of:

- ◆ Whether they look at the job as a whole or the factors that go together to describe the demands of the job;
- ◆ The degree to which common standards or definitions are used; and
- ◆ If there is a subjective comparative judgement or a points scoring system.

Whilst there are different names given to different approaches, some of which are the brand names of their developers, the three basic types of job evaluation are:

1. Ranking
2. Job classification
3. Points rating

The main features, benefits and disadvantages of each approach are shown in the table below.

How do you introduce a job evaluation scheme?

The simple answer is, "With care". It is vital to ensure that there is adequate diagnostic analysis to understand the context in which the job evaluation scheme will operate and the business needs it is expected to address. Similarly strong project management disciplines must be adhered to throughout to ensure the scheme is successfully delivered.

Communication with all stakeholders including employees to be covered by the scheme must be planned as well as the detailed arrangements for maintaining the scheme once it is launched. Other issues that need to be considered are assessing the cost of implementation, the choice of benchmark jobs to establish standards, testing evaluations using current internal and external data and the degree to which job evaluation is integrated into other people management processes and policies.

The ACAS advisory booklet "Job evaluation: considerations and risks." contains some valuable guidance.

Further information

To learn more about this topic or PAYdata's services please contact us on 01733 364070, or email us at info@paydata.co.uk.

	Main features	Pros	Cons
Ranking	<ul style="list-style-type: none"> ♦ Whole job comparisons are made to place jobs in order of importance. ♦ Resultant pecking order used as a basis for grades and pay. ♦ May be based on “paired comparison” technique where every job is individually compared to every other job. 	<ul style="list-style-type: none"> ♦ Easy to apply. ♦ Easy to understand. 	<ul style="list-style-type: none"> ♦ No defined standards of judgement. ♦ Differences between jobs are not measured. ♦ Allocation of jobs to grades can be somewhat arbitrary especially at the extremes of grades. ♦ More open to subjective judgements than other approaches.
Job Classification	<ul style="list-style-type: none"> ♦ Job grades are defined in terms of differences in skills and responsibilities, considering factors such as complexity, level of decisions and knowledge. ♦ Jobs are slotted into the grades by comparing the whole job description with the grade definition. 	<ul style="list-style-type: none"> ♦ Simple to operate. ♦ Standards of judgement are provided in the form of the grade definitions. ♦ Relatively quick to introduce. 	<ul style="list-style-type: none"> ♦ Difficult to fit complex roles into one grade without using excessively elaborate grade definitions.
Points Rating	<ul style="list-style-type: none"> ♦ Factors are selected, e.g. Knowledge & Experience, Planning & Organising, Communicating & Influencing. ♦ The factors are given a weighting to reflect their relative importance to the organisation. ♦ Separate factors are scored to produce an overall points score for a job. 	<ul style="list-style-type: none"> ♦ The analytical process of considering separate defined factors provides for objectivity and consistency in making judgements. ♦ Multiple aspects of a job are considered to give a complete picture. 	<ul style="list-style-type: none"> ♦ Complex to install and maintain. ♦ Selection of incorrect factors and weightings can seriously damage quality of evaluations. ♦ Judgement is still required to rate jobs in respect of different factors. ♦ Implied scientific accuracy can be overstated.

PAYdata Limited
43 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
PE2 6LR

t: +44 (0)1733 364070

f: +44 (0)1733 364050

e: info@paydata.co.uk

w: www.paydata.co.uk

