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Competitive Exams: Job Evaluation

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What is job evaluation? what are the different ways in which a job evaluation can be carried out?

Job evaluation is a systematic assessment of job content. It establishes the worth of a job in terms of salary or wage compared to other jobs. Many elaborate schemes have been developed and applied with varying degrees of success. While some structure is necessary on a project, pay is more likely to be governed by market conditions, scarcity, individual knowledge, performance or trade agreements. Job evaluation is the method of ordering jobs or positions with respect to their value or worth to the organization, and placing them into job families and zones. Job evaluation is the A formal process by which management creates a job worth hierarchy within an organization. The two basic approaches are the market data approach and the job content approach.

The different ways in which a job evaluation can be carried out is

Ranking

This method is one of the simplest to administer. Jobs are compared to each other based on the overall worth of the job to the organization. The 'worth' of a job is usually based on judgements of skill, effort (physical and mental) , responsibility (supervisory and fiscal) , and working conditions.

Advantages

- Simple.
- Very effective when there are relatively few jobs to be evaluated (less than 30) .

Disadvantages

- Difficult to administer as the number of jobs increases.
 - Rank judgements are subjective.
 - Since there is no standard used for comparison, new jobs would have to be compared with the existing jobs to determine its appropriate rank. In essence, the ranking process would have to be repeated each time a new job is added to the organization:
- Ranking Methods, Ordering Simply place job titles on 3 × 5 inch index cards then order the titles by relative importance to the organization, Weighting and Paired Comparison

Classification

Jobs are classified into an existing grade/category structure or hierarchy. Each level in the grade/category structure has a description and associated job titles. Each job is assigned to the grade/category providing the closest match to the job. The classification of a position is decided by comparing the whole job with the appropriate job grading standard. To ensure equity in job grading and wage rates, a common set of job grading standards and instructions are used. Because of differences in duties, skills and knowledge, and other aspects of trades and labor jobs, job grading standards are developed mainly along occupational lines. The standards do not attempt to describe every work assignment of each position in the occupation covered. The standards identify and describe those key characteristics of occupations which are significant for distinguishing different levels of work. They define these key characteristics in such a way as to provide a basis for assigning the appropriate grade level to all positions in the occupation to which the standards apply.

Advantages

- Simple.
- The grade/category structure exists independent of the jobs. Therefore, new jobs can be classified more easily than the Ranking Method.

Disadvantages

- Classification judgments are subjective.
- The standard used for comparison (the grade/category structure) may have built in biases that would affect certain groups of employees (females or minorities) .
- Some jobs may appear to fit within more than one grade/category.

Factor Comparison

A set of compensable factors are identified as determining the worth of jobs. Typically the number of compensable factors is small (4 or 5) . Examples of compensable factors are:

- Skill
- Responsibilities
- Effort
- Working Conditions Next, benchmark jobs are identified. Benchmark jobs should be selected as having certain characteristics.
- equitable pay (not overpaid or underpaid)
- range of the factors (for each factor, some jobs would be at the low end of the factor while others would be at the high end of the factor) . This process establishes the rate

of pay for each factor for each benchmark job. Slight adjustments may need to be made to the matrix to ensure equitable dollar weighting of the factors. The other jobs in the organization are then compared with the benchmark jobs and rates of pay for each factor are summed to determine the rates of pay for each of the other jobs.

Advantages

- The value of the job is expressed in monetary terms.
- Can be applied to a wide range of jobs.
- Can be applied to newly created jobs. Disadvantages
- The pay for each factor is based on judgements that are subjective.
- The standard used for determining the pay for each factor may have built in biases that would affect certain groups of employees (females or minorities) .

Point Method

A set of compensable factors are identified as determining the worth of jobs. Typically the compensable factors include the major categories of:

- Skill
- Responsibilities
- Effort
- Working Conditions

Factors

The point method is an extension of the factor comparison method. Each factor is then divided into levels or degrees which are then assigned points. Each job is rated using the job evaluation instrument. The points for each factor are summed to form a total point score for the job. Jobs are then grouped by total point scores and assigned to wage/salary grades so that similarly rated jobs would be placed in the same wage/salary grade. These factors can then be further defined.

1. Skill
 - a. Experience
 - b. Education
 - c. Ability
2. Responsibilities
 - a. Fiscal
 - b. Supervisory
3. Effort

a. Mental

b. Physical

4. Working Conditions

a. Location

b. Hazards

c. Extremes in Environment

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