

Job evaluation

Job evaluation is of fundamental importance in reward management. It provides the basis for achieving equitable pay and is essential as a means of dealing with equal pay for work of equal value issues. In the 1980s and 1990s job evaluation fell into disrepute because it was alleged to be bureaucratic, time-consuming and irrelevant in a market economy where market rates dictate internal rates of pay and relativities. However, as the e-reward 2003 survey of job evaluation showed, job evaluation is still practised widely and, indeed, its use is extending, not least because of the pressures to achieve equal pay.

In this chapter:

- job evaluation is defined;
- the different types of job evaluation schemes are described;
- information on the incidence of job evaluation is provided;
- the use of computers in job evaluation is discussed;
- the arguments for and against job evaluation are summarized;
- consideration is given to criteria for choice;
- the process of developing a point-factor scheme is described;
- conclusions are reached about using job evaluation effectively.

JOB EVALUATION DEFINED

Job evaluation is a systematic process for defining the relative worth or size of jobs within an organization in order to establish internal relativities. It provides the basis for designing an equitable grade and pay structure, grading jobs in the structure and managing job and pay relativities.

Aims

Job evaluation aims to:

- establish the relative value or size of jobs (internal relativities) based on fair, sound and consistent judgements;
- produce the information required to design and maintain equitable and defensible grade and pay structures;
- provide as objective as possible a basis for grading jobs within a grade structure, thus enabling consistent decisions to be made about job grading;
- enable sound market comparisons with jobs or roles of equivalent complexity and size;
- be transparent – the basis upon which grades are defined and jobs graded should be clear;
- ensure that the organization meets equal pay for work of equal value obligations.

The last aim is important. In its *Good Practice Guide on Job Evaluation Schemes Free of Sex Bias* the Equal Opportunities Commission (2003) states that: 'Non-discriminatory job evaluation should lead to a payment system which is transparent and within which work of equal value receives equal pay regardless of sex.'

Approaches

Job evaluation can be analytical or non-analytical. Jobs can also be valued by reference to their market rates – 'market pricing'. These approaches are described below.

ANALYTICAL JOB EVALUATION

Defined

Analytical job evaluation is the process of making decisions about the value or size of jobs, which are based on an analysis of the level at which various defined factors or

elements are present in a job in order to establish relative job value. The set of factors used in a scheme is called the *factor plan*, which defines each of the factors used (which should be present in all the jobs to be evaluated) and the levels within each factor. Analytical job evaluation is the most common approach to job evaluation (it was used by 89 per cent of the organizations with job evaluation responding to the e-reward 2003 survey). The two main types of analytical job evaluation schemes are point-factor schemes and analytical matching, as described later.

Main features

The main features of analytical job evaluation as explained below are that it is systematic, judgemental, concerned with the person not the job and deals only with internal relativities.

Systematic

Analytical job evaluation is systematic in that the relative value or 'size' of jobs is determined on the basis of factual evidence on the characteristics of the jobs that have been analysed within a structured framework of criteria or factors.

Judgemental

Human judgement has to be exercised at a number of points in the job evaluation process. Although job evaluations are based on factual evidence, this has to be interpreted. The information provided about jobs through job analysis can sometimes fail to provide a clear indication of the levels at which demands are present in a job. The definitions in the factor plan may not precisely indicate the level of demand that should be recorded. Judgement is required in making decisions on the level and therefore, in a point-factor or factor comparison scheme, the score. The aim is to maximize objectivity but it is difficult to eliminate a degree of subjectivity. As the Equal Opportunities Commission (EOC) states in its *Good Practice Guide on Job Evaluation Schemes Free of Sex Bias* 2003: 'It is recognized that to a certain extent any assessment of a job's total demands relative to another will always be subjective.'

A fundamental aim of any process of job evaluation is to provide frameworks or approaches that ensure, as far as possible, that consistent judgements are made based on objectively assessed information. To refer to an evaluation as 'judgemental' does not necessarily mean that it is inaccurate or unsound. Correct judgements are achieved when they are made within a defined framework and are based on clear evidence and sound reasoning. This is what a job evaluation scheme can do if the scheme is properly designed and properly applied.

Concerned with the job not the person

This is the iron law of job evaluation. It means that when evaluating a job the only concern is the content of that job in terms of the demands made on the job holder. The performance of the individual in the job must not be taken into account. But it should be noted that while *performance* is excluded, in today's more flexible organizations the tendency is for some people, especially knowledge workers, to have flexible roles. Individuals may have the scope to enlarge or enrich their roles and this needs to be taken into account when evaluating what they do. Roles cannot necessarily be separated from the people who carry them out. It is people who create value, not jobs.

Concerned with internal relativities

When used within an organization, job evaluation in the true sense as defined above (ie not market pricing as described later) can only assess the relative size of jobs in that organization. It is not concerned with external relativities, that is, the relationship between the rates of pay of jobs in the organization and the rates of pay of comparable jobs elsewhere (market rates).

Types of analytical schemes

Point-factor evaluation

Point-factor schemes are the most commonly used type of analytical job evaluation. The methodology is to break down jobs into factors or key elements representing the demands made by the job on job holders, the competencies required and, in some cases, the impact the job makes. It is assumed that each of the factors will contribute to job size (ie the value of the job) and is an aspect of all the jobs to be evaluated but to different degrees. Using numerical scales, points are allocated to a job under each factor heading according to the extent to which it is present in the job. The separate factor scores are then added together to give a total score, which represents job size.

Analytical matching

Like point-factor job evaluation, analytical matching is based on the analysis of a number of defined factors. Grade or level profiles are produced which define the characteristics of jobs in each grade in a grade structure in terms of those factors. Role profiles are produced for the jobs to be evaluated set out on the basis of analysis under the same factor headings as the grade profiles. The role profiles are then

'matched' with the range of grade or level profiles to establish the best fit and thus grade the job.

Alternatively or additionally, role profiles for jobs to be evaluated can be matched analytically with generic role profiles for jobs that have already been graded.

Analytical matching may be used to grade jobs following the initial evaluation of a sufficiently large and representative sample of 'benchmark' jobs, ie jobs that can be used as a basis for comparison with other jobs. This can happen in large organizations when it is believed that it is not necessary to go through the whole process of point-factor evaluation for every job. This especially applies where 'generic' roles are concerned, ie roles that are performed by a number of job holders, which are essentially similar although there may be minor differences. When this follows a large job evaluation exercise as in the NHS Agenda for Change programme, the factors used in the grade and role profiles will be the same as those used in the point-factor job evaluation scheme.

Factor comparison

The original and now little used factor comparison method compared jobs factor by factor using a scale of money values to provide a direct indication of the rate for the job. The main form of factor comparison now in use is graduated factor comparison, which involves comparing jobs factor by factor with a graduated scale. The scale may have only three value levels – for example lower, equal, higher – and factor scores are not necessarily used.

It is a method often used by the independent experts engaged by Employment Tribunals to advise on an equal pay claim. Their job is simply to compare one job with one or two others, not to review internal relativities over the whole spectrum of jobs in order to produce a rank order. Independent experts may score their judgements of comparative levels, in which case graduated factor comparison resembles the point-factor method, except that the number of levels and range of scores are limited, and the factors may not be weighted.

Proprietary brands

There are a number of job evaluation schemes offered by management consultants. By far the most popular is the Hay Guide Chart Profile Method, which is a factor comparison scheme. It uses three broad factors (know-how, problem solving and accountability) each of which is further divided into sub-factors, although these cannot be scored individually. Definitions of each level have been produced for each sub-factor to guide evaluators and ensure consistency of application.

NON-ANALYTICAL JOB EVALUATION

Non-analytical job evaluation compares whole jobs to place them in a grade or a rank order – they are not analysed by reference to their elements or factors. Non-analytical schemes do not meet the requirements of equal value law. The main non-analytical schemes are described below.

Job classification

This is the most common non-analytical approach. Jobs as defined in job descriptions are slotted into grades in a hierarchy by comparing the whole job with a grade definition and selecting the grade that provides the best fit. It is based on an initial definition of the number and characteristics of the grades into which jobs will be placed. The grade definitions may therefore refer to such job characteristics as skill, decision making and responsibility. Job descriptions may be used that include information on the presence of those characteristics but the characteristics are not assessed separately when comparing the description with the grade definition.

Job ranking

Whole-job ranking is the most primitive form of job evaluation. The process involves comparing jobs with one another and arranging them in order of their perceived size or value to the organization. In a sense, all evaluation schemes are ranking exercises because they place jobs in a hierarchy. The difference between simple ranking and analytical methods such as point-factor rating is that job ranking does not attempt to quantify judgements. Instead, whole jobs are compared – they are not broken down into factors or elements although, explicitly or implicitly, the comparison may be based on some generalized concept such as the level of responsibility.

Paired comparison ranking

Paired comparison ranking is a statistical technique that is used to provide a more sophisticated method of whole-job ranking. It is based on the assumption that it is always easier to compare one job with another than to consider a number of jobs and attempt to build up a rank order by multiple comparisons.

The technique requires the comparison of each job as a whole separately with every other job. If a job is considered to be of a higher value than the one with which it is being compared it receives two points; if it is thought to be equally important, it

receives one point; if it is regarded as less important, no points are awarded. The scores are added for each job and a rank order is obtained.

A simplified example of a paired comparison ranking is shown in Figure 44.1.

Job reference	a	b	c	d	e	f	Total score	Ranking
A	–	0	1	0	1	0	2	5=
B	2	–	2	2	2	0	8	2
C	1	0	–	1	1	0	3	4
D	2	0	1	–	2	0	5	3
E	1	0	1	0	–	0	2	5=
F	2	2	2	2	2	–	10	1

Figure 44.1 A paired comparison

The advantage of paired comparison ranking over normal ranking is that it is easier to compare one job with another rather than having to make multi-comparisons. But it cannot overcome the fundamental objections to any form of whole-job ranking – that no defined standards for judging relative worth are provided and it is not an acceptable method of assessing equal value. There is also a limit to the number of jobs that can be compared using this method – to evaluate 50 jobs requires 1,225 comparisons.

Paired comparisons can also be used analytically to compare jobs on a factor by factor basis.

Internal benchmarking

Internal benchmarking is what people often do intuitively when they are deciding on the value of jobs, although it has never been dignified in the job evaluation texts as a formal method of job evaluation. It simply means comparing the job under review with any internal job that is believed to be properly graded and paid, and placing the job under consideration into the same grade as that job. The comparison is often made on a whole-job basis without analysing the jobs factor by factor.

Market pricing

Market pricing is the process of assessing rates of pay by reference to the market rates for comparable jobs and is essentially external benchmarking. Strictly speaking, market pricing is not a process of job evaluation in the sense that those described

above are – they only deal with internal relativities and are not directly concerned with market values, although in conjunction with a formal job evaluation scheme, establishing market rates is a necessary part of a programme for developing a pay structure.

However, the term ‘market pricing’ in its extreme form is used to denote a process of directly pricing jobs on the basis of external relativities with no regard to internal relativities. This approach was widely publicized in the US in the mid-1990s as a reaction to what was regarded as too much emphasis on internal relativities (‘a job is worth what the market says it is worth’) accompanied by over-bureaucratic job evaluation. It sat alongside attempts at developing broad-banded pay structures (ie structures with a limited number of grades or bands). The approach has board level appeal because of the focus on competitiveness in relation to the marketplace for talent.

The acceptability of market pricing is heavily dependent on the quality and detail of market matching as well as the availability of robust market data. It can therefore vary from analysis of data by job titles to detailed matched analysis collected through bespoke surveys focused on real market equivalence. Market pricing can produce an indication of internal relativities even if these are market driven. But it can lead to pay discrimination against women where the market has traditionally been discriminatory. It does not satisfy UK equal pay legislation.

Market pricing can be done formally by the analysis of published pay surveys, participating in ‘pay clubs’, conducting special surveys, obtaining the advice of recruitment consultants and agencies and, more doubtfully, by studying advertisements. In its crudest form, market pricing simply means fixing the rate for a job at the level necessary to recruit or retain someone. To avoid a successful equal pay claim, any difference in pay between men and women carrying out work of equal value based on market rate considerations has to be ‘objectively justified’.

THE INCIDENCE OF JOB EVALUATION

Despite considerable criticism in the 1990s, job evaluation has not diminished in use in the UK or in many other countries. A survey of job evaluation practice in the UK (e-reward, 2003) found that 44 per cent of the 236 organizations contributing to the research had a formal job evaluation scheme, and 45 per cent of those who did not have such a scheme intended to introduce one. Analytical schemes were used by 89 per cent of the respondents, of which 70 per cent used point-factor rating. The most popular non-analytical approach was job classification. Schemes developed in-house (‘home grown’ schemes) were used by 37 per cent of the respondents.

A 'proprietary brand', ie one provided by consultants, was used by 37 per cent of respondents and 26 per cent used a hybrid or tailored version of a proprietary brand. The Hay Guide Chart Profile method dominated the market (83 per cent of the proprietary brand schemes). Organizations opting for a proprietary brand did so because of its credibility and, especially with Hay, its link to a market rate database. Organizations opting for a home grown approach did so because they believed this would ensure that it could be shaped to meet the strategic needs of the organization and fit its technology, structure, work processes and business objectives. A minority of respondents mentioned the scope for aligning the scheme with their competency framework.

COMPUTER-ASSISTED JOB EVALUATION

Computers can be used to help directly with the job evaluation process.

Types of schemes

There are two types of computer-assisted systems.

First, there are *job analysis-based schemes* such as that offered by Link Consultants in which the job analysis data is either entered direct into the computer or transferred to it from a paper questionnaire. The computer software applies predetermined rules based on an algorithm that reflects the organization's evaluation standards to convert the data into scores for each factor and produce a total score. The algorithm replicates panel judgements both on job factor levels and overall job score.

Secondly, there are *interactive schemes* using software such as that supplied by Pilat UK (Gauge) in which the job holder and his or her manager sit in front of a PC and are presented with a series of logically interrelated questions forming a question tree; the answers to these questions lead to a score for each of the built-in factors in turn and a total score.

Advantages of computer-assisted job evaluation

Computer-assisted job evaluation systems can:

- provide for greater consistency – the same input information will always give the same output result because the judgemental framework on which the scheme is based (the algorithm) can be applied consistently to the input data;
- offer extensive database capabilities for sorting, analysing and reporting on the input information and system outputs;
- speed up the job evaluation process once the initial design is complete.

Disadvantages of computer-assisted job evaluation

Computer-assisted job evaluation systems can lack transparency – the evaluation in conventional computer-assisted schemes is made in a ‘black box’ and it can be difficult to trace the connection between the analysis and the evaluation and therefore to justify the score. This is not such a problem with interactive schemes in which job holders participate in evaluations and the link between the answer to a question and the score can be traced in the ‘question trees’.

Computer-assisted job evaluation systems can also appear to by-pass the evaluation process through joint management/employee panels, which is typical in conventional schemes; however, this problem can be reduced if panels are used to validate the computer-generated scores.

CRITERIA FOR CHOICE

The main criteria for selecting a job evaluation scheme are that it should be:

- *Analytical* – it should be based on the analysis and evaluation of the degree to which various defined elements or factors are present in a job.
- *Thorough in analysis and capable of impartial application* – the scheme should have been carefully constructed to ensure that its analytical framework is sound and appropriate in terms of all the jobs it has to cater for. It should also have been tested and trialled to check that it can be applied impartially to those jobs.
- *Appropriate* – it should cater for the particular demands made on all the jobs to be covered by the scheme.
- *Comprehensive* – the scheme should be applicable to all the jobs in the organization covering all categories of staff, and the factors should be common to all those jobs. There should therefore be a single scheme that can be used to assess relativities across different occupations or job families and to enable benchmarking to take place as required.
- *Transparent* – the processes used in the scheme from the initial role analysis through to the grading decision should be clear to all concerned.
- *Non-discriminatory* – the scheme must meet equal pay for work of equal value requirements.

A summary of the various approaches to job evaluation and their advantages and disadvantages is given in Table 44.1.

Table 44.1 Comparison of approaches to job evaluation

Scheme	Characteristics	Advantages	Disadvantages
Point-factor rating	An analytical approach in which separate factors are scored and added together to produce a total score for the job which can be used for comparison and grading purposes.	As long as it is based on proper job analysis, point-factor schemes provide evaluators with defined yardsticks that help to increase the objectivity and consistency of judgements and reduce the over-simplified judgement made in non-analytical job evaluation. They provide a defence against equal value claims as long as they are not in themselves discriminatory.	Can be complex and give a spurious impression of scientific accuracy – judgement is still needed in scoring jobs. Not easy to amend the scheme as circumstances, priorities or values change.
Analytical matching	Grade profiles are produced which define the characteristics of jobs in each grade in a grade structure in terms of a selection of defined factors. Role profiles are produced for the jobs to be evaluated set out on the basis of analysis under the same factor headings as the grade profiles. Role profiles are 'matched' with the range of grade profiles to establish the best fit and thus grade the job.	If the matching process is truly analytical and carried out with great care, this approach saves time by enabling the evaluation of a large number of jobs, especially generic ones, to be conducted quickly and in a way which should satisfy equal value requirements.	The matching process could be more superficial and therefore suspect than evaluation through a point-factor scheme. In the latter approach there are factor level definitions to guide judgements and the resulting scores provide a basis for ranking and grade design which is not the case with analytical matching. Although matching on this basis may be claimed to be analytical, it might be difficult to prove this in an equal value case.
Job classification	Non-analytical – grades are defined in a structure in terms of the level of responsibilities involved in a hierarchy. Jobs are allocated to grades by	Simple to operate; standards of judgement when making comparisons are provided in the shape of the grade definitions.	Can be difficult to fit complex jobs into a grade without using over-elaborate grade definitions; the definitions tend to be so

continued

Table 44.1 *continued*

Scheme	Characteristics	Advantages	Disadvantages
	matching the job description with the grade description (job slotting).		generalized that they are not much help in evaluating borderline cases or making comparisons between individual jobs; does not provide a defence in an equal value case.
Ranking	Non-analytical – whole job comparisons are made to place them in rank order.	Easy to apply and understand.	No defined standards of judgement; differences between jobs not measured; does not provide a defence in an equal value case.
Internal benchmarking	Jobs or roles are compared with benchmark jobs that have been allocated into grades on the basis of ranking or job classification and placed in whatever grade provides the closest match of jobs. The job descriptions may be analytical in the sense that they cover a number of standard and defined elements.	Simple to operate; facilitates direct comparisons, especially when the jobs have been analysed in terms of a set of common criteria.	Relies on a considerable amount of judgement and may simply perpetuate existing relativities; dependent on accurate job/role analysis; may not provide a defence in an equal value case.
Market pricing	Rates of pay are aligned to market rates – internal relativities are therefore determined by relativities in the market place. Not strictly a job evaluation scheme.	In line with the belief that 'a job is worth what the market says it is worth'. Ensures that pay is competitive.	Relies on accurate market rate information which is not always available; relativities in the market may not properly reflect internal relativities; pay discrimination may be perpetuated.

Making the choice

The choice has to be made by reference to the criteria referred to earlier and to the advantages and disadvantages of the alternative approaches listed above. But the overwhelming preference for analytical schemes shown by the e-reward survey suggests that the choice is fairly obvious. The advantages of using a recognized analytical approach that satisfies equal value requirements appear to be overwhelming. Point-factor schemes were used by 70 per cent of those respondents and others used analytical matching, often in conjunction with the points scheme.

There is much to be said for adopting point-factor methodology as the main scheme, but using analytical matching in a supporting role to deal with large numbers of generic roles not covered in the original benchmarking exercise. Analytical matching can be used to allocate generic roles to grades as part of the normal job evaluation operating procedure to avoid having to resort to job evaluation in every case. The tendency in many organizations is to assign to job evaluation a supporting role of this nature rather than allowing it to dominate all grading decisions and thus involve the expenditure of much time and energy.

THE CASE FOR AND AGAINST JOB EVALUATION

The case for

The case for properly devised and applied job evaluation, especially analytical job evaluation, is that:

- it can make the criteria against which jobs are valued explicit and provide a basis for structuring the judgement process;
- an equitable and defensible pay structure cannot be achieved unless a structured and systematic process is used to assess job values and relativities;
- a logical framework is required within which consistent decisions can be made on job grades and rates of pay;
- the factor plan and the process of job evaluation can be aligned to the organization's value system and competency framework and therefore reinforce them as part of an integrated approach to people management;
- analytical schemes provide the best basis for achieving equal pay for work of equal value and are the only acceptable defence in an equal pay case;
- a formal process of job evaluation is more likely to be accepted as fair and equitable than informal or *ad hoc* approaches – and the degree of acceptability will be considerably enhanced if the whole process is transparent.

The case against

The case against job evaluation has been presented vociferously. Critics emphasize that it can be bureaucratic, inflexible, time-consuming and inappropriate in today's organizations. Opponents such as Nielsen (2002) take exception to the fact that job evaluation is not concerned with external relativities, which, they claim, are what really matter. Schemes can decay over time through use or misuse. People learn how to manipulate them to achieve a higher grade and this leads to the phenomenon known as grade drift – upgradings that are not justified by a sufficiently significant increase in responsibility. Job evaluators can fall into the trap of making *a priori* judgements. They may judge the validity of a job evaluation exercise according to the extent to which it corresponds with their preconceptions about relative worth. The so-called 'felt-fair' test is used to assess the acceptability of job evaluations, but a rank order is felt to be fair if it reproduces their notion of what it ought to be.

These criticisms mainly focus on the way in which job evaluation is operated rather than the concept of job evaluation itself. Like any other management technique, job evaluation schemes can be misconceived and misused. And the grade and pay structures developed through job evaluation seldom last for more than a few years and need to be replaced or adjusted to remedy decay or reflect new ways of working.

Those who criticize job evaluation because it is only concerned with internal relativities fail to understand that job evaluation exists to grade jobs, not to price them. Of course, when developing the pay structures superimposed on grade structures it is necessary to take account of external relativities and this will mean reconciling the different messages provided by job evaluation and market rate surveys. If the latter indicate that attracting and retaining good quality staff is only feasible if rates of pay are higher than those indicated by the grading of the job, then it may be necessary to pay market supplements, but to avoid claims that equal pay is not being provided, these must be objectively justified on the basis of evidence on competitive rates.

DESIGNING A POINT-FACTOR JOB EVALUATION SCHEME

The process of designing a job evaluation scheme is demanding and time-consuming, as is stressed by Armstrong *et al* (2003). This section considers the design and process criteria and the design and implementation programme.

Design and process criteria

It is necessary to distinguish between the design of a scheme and the process of operating it. Equal pay considerations have to be taken into account in both design and process.

Design principles

The design principles are that:

- the scheme should be based on a thorough analysis of the jobs to be covered and the types of demands made on those jobs to determine what factors are appropriate;
- the scheme should facilitate impartial judgements of relative job size;
- the factors used in the scheme should cover the whole range of jobs to be evaluated at all levels without favouring any particular type of job or occupation and without discriminating on the grounds of sex, race, disability or for any other reason – the scheme should fairly measure features of female-dominated jobs as well as male-dominated jobs;
- through the use of common factors and methods of analysis and evaluation, the scheme should enable benchmarking to take place of the relativities between jobs in different functions or job families;
- the factors should be clearly defined and differentiated – there should be no double counting;
- the levels should be defined and graduated carefully;
- sex bias must be avoided in the choice of factors, the wording of factor and level definitions and the factor weightings – checks should be carried out to identify any bias.

Process principles

The process principles are that:

- the scheme should be transparent, everyone concerned should know how it works – the basis upon which the evaluations are produced;
- appropriate proportions of women, those from ethnic minorities and people with disabilities should be involved in the process of developing and applying job evaluation;
- the quality of role analysis should be monitored to ensure that analyses produce accurate and relevant information that will inform the job evaluation process and will not be biased;

- consistency checks should be built into operating procedures;
- the outcomes of evaluations should be examined to ensure that sex or any other form of bias has not occurred;
- particular care is necessary to ensure that the outcomes of job evaluation do not simply replicate the existing hierarchy – it is to be expected that a job evaluation exercise will challenge present relativities;
- all those involved in role analysis and job evaluation should be thoroughly trained in the operation of the scheme and in how to avoid bias;
- special care should be taken in developing a grade structure following a job evaluation exercise to ensure that grade boundaries are placed appropriately and that the allocation of jobs to grades is not in itself discriminatory;
- there should be scope for the review of evaluations and for appeals against gradings;
- the scheme should be monitored to ensure that it is being operated properly and that it is still fit for its purpose.

The design and implementation programme

The design and implementation of a point-factor job evaluation scheme can be a demanding and time-consuming affair. In a large organization it can take two years or more to complete a project. Even in a small organization it can take several months. Many organizations seek outside help from management consultants or ACAS in conducting the programme. An example of a programme is given in Figure 44.2.

Activities 1 to 6 form the initial design phase and activities 7 to 12 form the application of the design and implementation phases. Full descriptions of these phases follow.

The scheme design programme

Figure 44.3 shows the steps required to design a point-factor job evaluation scheme.

Step 1. Decide to develop scheme

The decision to develop a new point-factor job evaluation scheme follows an analysis of the existing arrangements, if any, for job evaluation, and a diagnosis of any problems.

Step 2. Prepare detailed project programme

The detailed project programme could be set out in a bar chart, as illustrated in Figure 44.2.

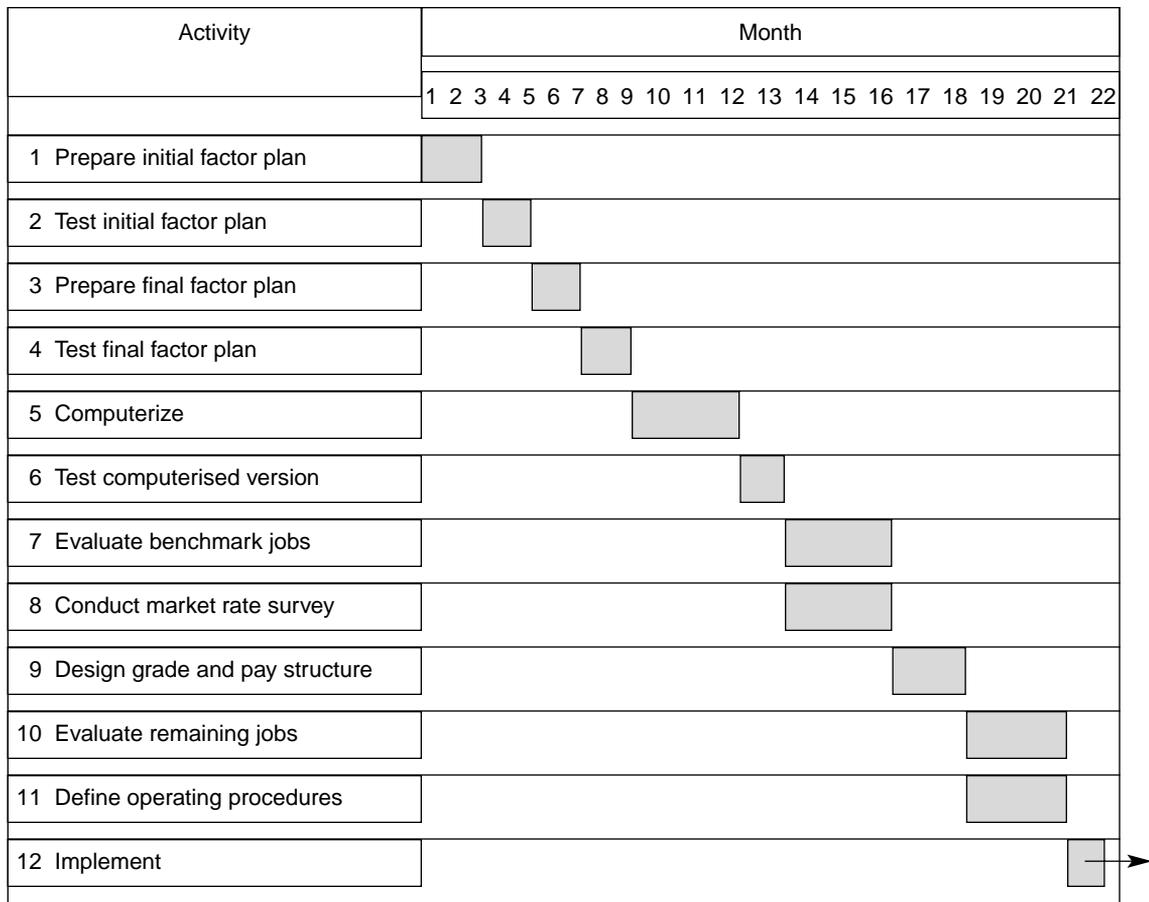


Figure 44.2 A typical job evaluation programme

Step 3. Select, brief and train design team

The composition of the design team should have been determined broadly at Step 1. Members are usually nominated by management and the staff or union(s) (if they exist). It is very desirable to have a representative number of women and men and the major ethnic groups employed in the organization. It is also necessary to appoint a facilitator.

Step 4. Formulate communication strategy

It is essential to have a communication strategy. The introduction of a new job evaluation will always create expectations. Some people think that they will inevitably benefit from pay increases, others believe that they are sure to lose money. It has to be explained carefully, and repeatedly, that no one should expect to get more and that no one will lose. The strategy should include a preliminary communication setting out what is proposed and why, and how people will be affected. Progress reports should be made at milestones throughout the programme, for example when the factor plan has been devised. A final communication should describe the new grade and pay structure and spell out exactly what is to happen to people when the structure is introduced.

Step 5. Identify and define factors

Job evaluation factors are the characteristics or key elements of jobs that are used to analyse and evaluate jobs in an analytical job evaluation scheme. The factors must be capable of identifying relevant and important differences between jobs that will support the creation of a rank order of jobs to be covered by the scheme. They should apply equally well to different types of work, including specialists and generalists, lower-level and higher-level jobs, and not be biased in favour of one sex or group. Although many of the job evaluation factors used across organizations capture similar job elements (this is an area where there are some enduring truths), the task of identifying and agreeing factors can be challenging.

The e-reward survey (2003) established that the eight most frequently used factors by the respondents with analytical schemes were:

1. Knowledge and skill.
2. Communications and contacts.
3. Judgement and decision-making.
4. Impact.
5. People management.
6. Freedom to act.
7. Working environment.
8. Responsibility for financial resources.

Step 6. Define factor levels to produce the basic factor plan

The factor plan is the key job evaluation document. It guides evaluators on making decisions about the levels of demand. The basic factor plan defines the levels within

each of the selected factors. A decision has to be made on the number of levels (often five, six or seven), which has to reflect the range of responsibilities and demands in the jobs covered by the scheme.

Step 7. Select and analyse test jobs

A small representative sample of jobs should be identified to test the scheme. A typical proportion would be about 10 per cent of the jobs to be covered. These are then analysed in terms of the factors.

Step 8. Test basic factor plan

The factors forming the basic factor plan are tested by the design team on a representative sample of jobs. The aim of this initial test is to check on the extent to which the factors are appropriate, cover all aspects of the jobs to be evaluated, are non-discriminatory, avoid double counting and are not compressed unduly. A check is also made on level definitions to ensure that they are worded clearly, graduated properly and cover the whole range of demands applicable to the jobs to be evaluated so that they enable consistent evaluations to be made.

Step 9. Develop scoring model

The aim is to design a point-factor scheme that will operate fairly and consistently to produce a rank order of jobs, based on the total points score for each job. Each level in the factor plan has to be allocated a points value so that there is a scoring progression from the lowest to the highest level.

Step 10. Decide on the factor weighting

Weighting is the process of attaching more importance to some factors than others through the scoring system (explicit weighting) or as a result of variations in the number of levels or the choice of factors (implicit weighting).

Step 11. Prepare full factor plan

The outcome of stages 9 and 10 is the full scored and weighted factor plan, which is tested in Step 12.

Step 12. Test the full factor plan

The full factor plan incorporating a scoring scheme and either explicit or implicit

weighting is tested on the same jobs used in the initial test of the draft factors. Further jobs may be added to extend the range of the test.

Step 13. Computerize

The steps set out above will produce a paper-based scheme and this is still the most popular approach. The e-reward survey (2003) found that only 28 per cent of respondents with job evaluation schemes used computers to aid evaluation. But full computerization can offer many advantages, including greater consistency, speed and the elimination of much of the paperwork. There is also the possibility of using computers to help manage and support the process without using computers as a substitute for grading design teams.

Computer-assisted schemes use the software provided by suppliers, but the system itself is derived from the paper-based scheme devised by the methods set out above. No job evaluation design team is required to conduct evaluations, but it is necessary to set up a review panel that can validate and agree the outcomes of the computerized process. No one likes to feel that a decision about their grade has been made by a computer on its own, and hard lessons have been learnt by organizations that have ended up with fully automated but discriminatory systems.

Step 14. Test the computerized scheme

The computerized scheme is tested to ensure that it delivers an acceptable rank order.

Step 15. Apply and implement

When the final design of the paper or computerized scheme has been tested as satisfactory the application and implementation programme can begin.

CONCLUSIONS

It could be claimed that every time a decision is made on what a job should be paid requires a form of job evaluation. Job evaluation is therefore unavoidable, but it should not be an intuitive, subjective and potentially biased process. The issue is how best to carry it out analytically, fairly, systematically, consistently, transparently and, so far as possible, objectively, without being bureaucratic, inflexible or resource-intensive. There are five ways of dealing with this issue:

1. Use a tested and relevant analytical job evaluation scheme to inform and support the processes of designing grade structures, grading jobs, managing relativities and ensuring that work of equal value is paid equally.
2. Ensure that job evaluation is introduced and managed properly.
3. Consider using computers to speed up processing and decision-making while at the same time generating more consistent evaluations and reducing bureaucracy.
4. Recognize that thorough training and continuing guidance for evaluators is essential, as is communication about the scheme, its operation and objectives to all concerned.
5. Review the operation of the scheme regularly to ensure that it is not decaying and continues to be appropriate and trusted.