

**M.Com. IVth Sem.**

**Human Resource Management**

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**Unit – IV**

**Date – 08/04/2020**

### **Job Evaluation**

#### **Learning Objectives:**

1. To know basic approach to Job Evaluation.
2. To importance of Job Evaluation and its effectiveness.
3. To know the important methods of Job Evaluation.

#### **Definition of Job Evaluation**

“Job evaluation is a process of finding out the relative worth of a job as compared to other jobs”

#### **Objectives of Job Evaluation:-**

The following objectives are derived from the definitions:-

- 1) To gather data and information relating to job description, job specification and employee specifications for various jobs in an organization.
- 2) To compare the duties, responsibilities and demands of a job with that of other jobs.
- 3) To determine the hierarchy and place of various jobs in an organization.
- 4) To determine the ranks or grades of various jobs.
- 5) To ensure fair and equitable wages on the basis of relative worth or value of jobs.

In other words equal wages are fixed to the jobs of equal worth or value.

6) To minimize wage discrimination based on sex, age, caste, region, religion etc.

### **Principles of Job Evaluation programme:-**

The following principles help in successful implementation of the programme:

1. Rate the job but not the employee. Rate the elements on the basis of the job demands.
2. The elements selected for rating should be easily understood.
3. The elements should be defined clearly and properly selected.
4. Employees concerned and the supervisors should be educated and convinced about the programme.
5. Supervisors should be encouraged to participate in rating the jobs.

6. Secure employee cooperation by encouraging them to participate in the rating programme.

7. Discuss with the supervisors and employees about rating but not about assigning money values to the points.

8. Do not establish too many occupational wages.

### **Job Evaluation Process:**

The job-evaluation process starts defining objectives of evaluation and ends with establishing wage and salary differentials.

The main objective of job evaluation, as was stated earlier, is to establish satisfactory wage and salary differentials. Job analysis should precede the actual program of evaluation. Job analysis, as was discussed earlier, provides job-related data, which would

be useful in drafting job description and job specification.

A job-evaluation program involves answering several questions:

The major ones are:

- Which jobs are to be evaluated?
- Who should evaluate the jobs?
- What training do the evaluation need?
- How much time is involved?
- What should be the criteria for evaluation?
- What methods of evaluation are to be employed?

Which jobs are to be evaluated in any exercise, where there are more than 30 or 40 jobs to be evaluated, it is necessary to identify and select a sample of benchmark jobs, which

can be used for comparisons inside and outside the organs. The benchmark jobs should be so selected to achieve representative sample of each of the main levels of jobs in each of the principal occupations.

The size of the sample depends on the number of different jobs to be covered. It is likely to be less than about five percent of the total number of employees in the organization and it would be difficult to produce a balanced sample unless at least 25 percent of the distinct jobs at each level of the organization were included.

Staffing the Evaluation exercise:

A committee, which consists of Head of several of department's, as was pointed out

earlier, does representatives of employee unions and specialist drawn from the National Productivity council Job evaluation. HR specialists will be normally the chairmen of the committee.

Responsibility for the overall coordination of the job-evaluation programme should be in the hands of a senior executive who can then report its progress to the board, and advise it on ensuring wage and salary development.

Training for the Committee:

Members of the job-evaluation committee should be trained in its procedure so as to make the program successful.

### **Methods of Job Evaluation:**

1. Point Method
2. Factor Comparison Method

## Point Method

The system starts with the selection of job factors, construction of degrees for each factor, and assignment of points to each degree.

Different factors are selected for different jobs, with accompanying differences in degrees and points.

Let us discuss the different factors with an example:

The National Electrical Manufacturing Association (NEMA), USA has suggested the factors, degrees and point for hourly rated and salaried jobs. The job factors taken into consideration by NEMA for hourly rated jobs are:

### Skill

1. Education
2. Experience



3. Initiative & ingenuity Effort
4. Physical demand
5. Mental and / or visual demand

#### Responsibility

6. Responsibility for equipment or process
7. Responsibility for materials or product

#### **Factors: -**

- a. Education
- b. Experience
- c. Complexity of duties
- d. Monetary responsibility
- e. Working Condition
- f. Contacts
- g. Types of Supervision

#### **Factor-Comparison Method:**

The factor-comparison method is yet another approach for job evaluation in the analytical group. Under this method, one begins with the selection of factors; usually five of them-

is assumed to be constant for all the jobs. Each factor is ranked individually with other jobs. For example, all the jobs may be compared first by the factor 'mental requirements.'

the skills factor, physical requirements, responsibility, and working conditions are ranked. The total points are then assigned to each factor. The worth of a job is then obtained by adding together all the point values.