

M.Com. IVth Sem.

Human Resource Management

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- IV

Unit

Date - 09/04/2020

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.

Non-Analytical:

1. Ranking Method
2. Banding Method
3. Job-Grading Method

Non-analytical methods:

Ranking and job classification methods come under this

category because they make no use of detailed job factors. Each job is treated as a whole in determining its relative ranking.

Ranking method: this is the simplest, the most inexpensive and the most expedient method of evaluation. The evaluation committee assesses the worth of each job on the

basis of its title or on its contents, if the latter is available. But the job is not broken down into elements or factors. Each job is compared with others and its place is determined.

The method has several drawbacks. Job evaluation may be subjective, as the jobs are not

broken into factors. It is hard to measure whole jobs.

Ranking is the most straightforward method of work evaluation. Jobs, people, or even

teams can be ranked from the ones adding most value to least value to the organization.

Criteria for the ranking are not made explicit.

Jobs rather than people are easier to rank

when there are a large number of people in jobs. Teams can be ranked in a team-based

environment as a substitute for or addition to the ranking of jobs and people. When a

larger number of jobs, people, or teams are to be ranked, the method of paired

comparisons can be used. With this approach each entity is compared to every other

entity in terms of value to the organization.

Overall value of the entity is determined by the number of times that the entity is evaluated as being of greater value than the entity being compared against. If an extremely large number of comparisons need to be made, statistical formulas are available to reduce the number of comparisons required using sampling theory.

Advantages:

1. Simple to use if there is a small number of jobs, people, or teams to evaluate
2. Requires little time
3. Minimal administration required

Disadvantages:

1. Criteria for ranking not understood
2. Increases possibility of evaluator bias

3. Very difficult to use if there is a large number of jobs, people, or teams to evaluate
4. Rankings by different evaluators are not comparable
5. Distance between each rank is not necessarily equal
6. May invite perceptions of inequity

Banding :-

A banding procedure takes place when jobs are grouped together by common characteristics. Characteristics used to group jobs follow: exempt versus nonexempt, professional versus non professional, union versus non union, key contributor versus non-key contributor, line versus staff, technical versus non-technical, value-added versus non-

value-added, and classified versus non-classified. Often these groups are then rank ordered and each group is then placed in a pay band.

Advantages:

1. Quick and easy procedure
2. Has initial face validity to employees
3. Allows for organizational flexibility
4. Minimal administration required

Disadvantages:

1. Subtle, but important, differences between groups ignored
2. Subtle, but important, differences within groups ignored
3. May invite inequity perceptions

Classification:

Classification systems define the value of jobs, people, or teams with written standards for a hierarchy of classification level. Each classification level may be defined by a number of factors that need to be present for a job, person, or team to be slotted into a particular classification level. These factors are usually blended together resulting in one standard for each classification level.

Advantages

1. Jobs, people, and teams can be quickly slotted into the structure
2. Classification levels have face validity for employees
3. Standards to establish value are made explicit

Disadvantages

1. Many jobs, people, or teams do not fit neatly into a classification level
2. Extensive judgment is required because standards used to define each factor are blended together
3. Differences between classification levels may not be equal
4. Creates status hierarchies within organizations
5. Extensive administration required

Job-grading Method:

As in the ranking method, the job-grading method (or job-classification method) does not call for a detailed or quantitative analysis of job factors. It is based on the job as a whole.

The difference between the two is that in the ranking method, there is no yardstick for

evaluation, while in the classification method, there is such a yardstick in the form of job classes or grades. Under the classification method, the number of grades is first decided upon, and the factors corresponding to these grades are then determined.

The advantages of the method are; I) job grade descriptions are vague and are not quantified; ii) difficulty in convincing employees about the inclusion of a job in a particular grade because of vagueness of grade descriptions; and iii) more job classification schedules need to be prepared because the same schedule cannot be used for all types of jobs.

IMPROVE JOB EVALUATION: -

Following measures and steps for improving the work of evaluation programmes;

- A job evaluation scheme should be chosen cautiously. It should be devised and administered on the basis of employment market, demand for labour, bargaining power of the parties & job conditions.
- The details of the scheme should be drawn up in such a way that they do not conflict with other provision of a collective agreement.
- The scheme should be sold to all concerned and suggestions sought.
- Give major importance that the number of job titles and classification be kept to a minimum.
- Any anticipated changes in methods should be carried out before a scheme is

installed and all modifications in it should be resisted until it becomes fully established.

- In preparing job descriptions it is a sound practice to emphasize in them the things which makes one job different from another rather than to find a comprehensive statement of all the duties of the job.
- The better the state of industrial relations the easier it is to introduce a job evaluation scheme.

Essentials for the success of a Job Evaluation Programme:-

Following are the essential for the success of Job Evaluation:

1. Compensable factors should represent all of the major aspects of job content.

Compensable factors selected should:

- Avoid excessive overlapping or duplication,
- Be definable and measurable,
- Be easily understood by employees and administrators,
- Not cause excessive installation or admin cost and
- Be selected with legal considerations in mind.

Operating managers should be convinced about the techniques and programme of evaluation. They should also be trained in fixing and revising the wages based on job evaluation

All the employees should be provided with complete information about job

Evaluation techniques and programme.

All groups and grades of employees should be covered by the job evaluation

The results of job evaluation must be fair and rational and unbiased to the individuals

being affects