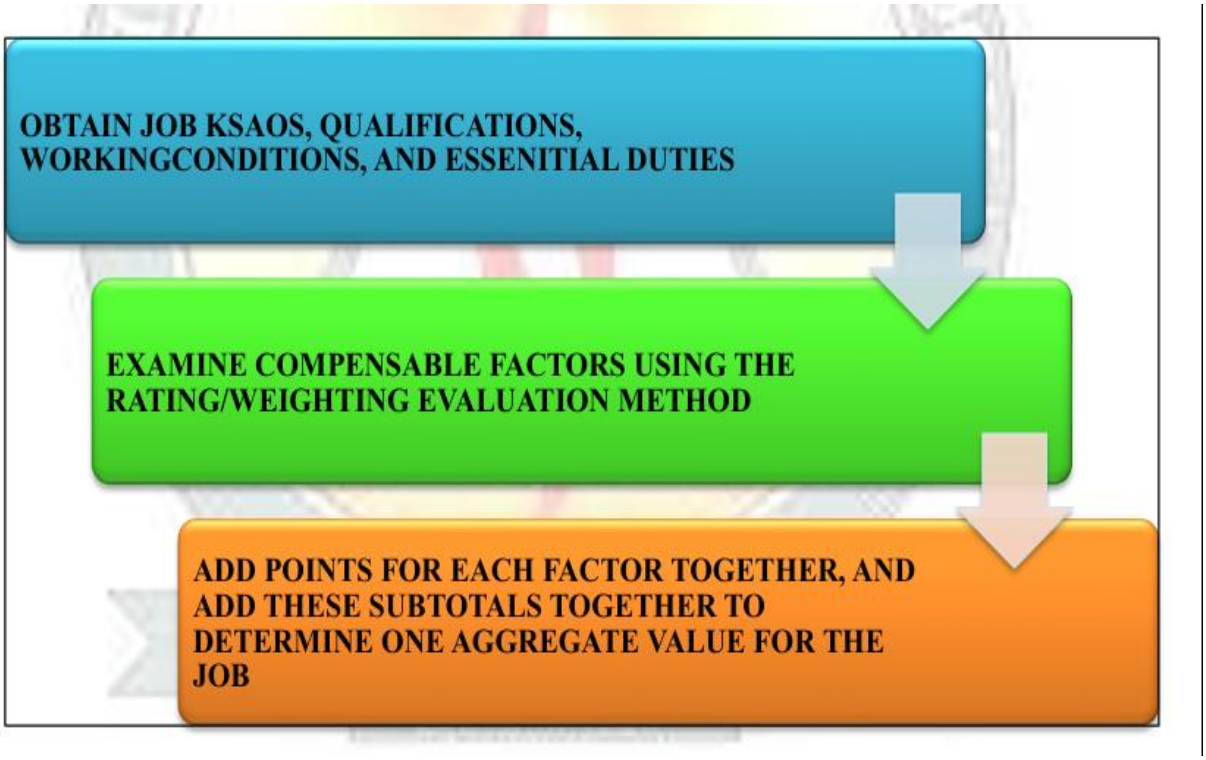
# UNIT- 3

# JOB EVALUATION

- A **Job Evaluation** is a systematic way of determining the value/worth of a **job** in relation to other jobs in an organization.
- It tries to make a **systematic comparison** between jobs to assess their **relative worth for the purpose of establishing a rational pay structure.**
- **Job evaluation** is a methodical way of confirming the value of **job** in relation to other jobs in an organisation.
- According to ILO Report, the aim and **objective** of **job evaluation** system is to establish an agreeable logical basis, the relative values of different jobs in a particular plant or machinery.
- They review a KSA statement, which explains a candidate's qualities as they relate to an open role, and determine if they're a good fit.
- Learning more about KSAs and how to craft one can help you create a compelling document.
- KSA is a description of qualifications written by a prospective candidate to describe their knowledge, skills and abilities as they relate to an open role. It helps employers quickly screen the candidates that are most suitable for each job.
- The KSA model was introduced as a hiring tool by the government, but the personnel department is slowly discontinuing the use of it.
- While KSAs in the form of essays or narratives may no longer be listed as requirements, they should not be dismissed. Employers may call it by other names, such as **Professional Technical Qualification or Quality Ranking Factors.**
- The KSA is often presented as a supplement to the job application and requires candidates to craft answers to job-specific questions, usually in the form of a one-page essay. Each answer is evaluated on a scale from 1 to 100 as to how closely it matches the qualification needed for the job.

**THE JOB EVALUATION PROCESS :**




## STEP 1: OBTAIN JOB KSAOS, QUALIFICATIONS, WORKING CONDITIONS, AND ESSENTIAL DUTIES

### Obtain Job KSAOs

- Knowledge, skills, abilities and other characteristics (KSAOs) are the attributes required to perform a job: Knowledge refers to the body of factual or procedural information that can be applied, such as knowledge of foreign languages or computer programming languages.
- Examples include the ability to: Organize and plan work (observed at work)
- Examples include skill in:
  - Keyboard data entry.
  - Motor vehicle operation.
  - Computer software proficiency.
  - Electronic or computer repair.
  - Carpentry, plumbing and/or HVAC repair.
  - Second language proficiency.

- This first step in the job evaluation process should be fairly straightforward and not require a great deal of effort, as long as the job description is accurate and up to date.
- If the job description needs to be reassessed, then a job analysis will have to be conducted first before proceeding.

- Essentially, the job description will be broken down here to prepare for objective rating and weighting of all the elements that comprise the job, including its KSAO (**Knowledge, skills, abilities and other characteristics)** requirements, education/experience qualifications, essential duties and responsibilities working conditions for determining its worth and appropriate compensation.

- These elements are referred to as compensable job factors and allow for the standardization .

- Compensable job factors include any job element that has some degree of monetary value to the organization and will contribute to its overall worth. Examples of compensable jobs factors include following:

- Job-Specific knowledge, Educational Requirements, Level of Autonomy, Scope of Accountability, Decision-Making, Authority Supervisory Responsibility, Interpersonal Relationships, Work Environment Conditions, Schedule/Shift Needs, Work-Related Risk/Safety, Task Quantity, Task Complexity, Task Frequency, Physical Demands .
- Jobs will vary in terms of their compensable factors, but these general categories will be the relevant and cover all the job elements among an organization's jobs, regardless of function or level. Some jobs will require a large number of essentialities, while other jobs will require few educational qualifications but come with a demanding Some jobs will have a high-level educational requirement but offer comfortable working candidates and responsibilities that are low complexity, while other jobs may require fewer essential duties but have much higher complexity or risk involved.

- All these variations have to quantitatively assessed. The use of compensable factors enables a human resources (HR) professional or consultant the ability to examine each job element and determine a value based on its worth and importance , which us the next step of the job evaluation process.

**STEP2: EXAMINE COMPENSABLE FACTORS USING THE RATING/WEIGHTING EVALUATION METHOD**

- Though there are different job evaluation approaches that focus more on non quantitative methods such as relative comparisons between jobs and rank ordering, the job evaluation approach we will explore in this chapter involves the use of a quantitative methodology consisting of numeric ratings and the weighting of compensable factors.

- While non quantitative methods are certainly viable options, relative standards of measurement such as job comparison and ranking do not provide information regarding the actual distance between jobs, nor do they provide an overall numerical score based on the rating of a job on specific criteria.

- If the goal a standardized approach that is objective and yields quantitative data, it is recommended to implement a consistent and quantifiable job evaluation strategy using the point-factor rating method, which we will examine next.

**POINT FACTOR RATING METHOD**

- Each compensable factor should have a standardized, quantifiable definition that explains which it may appear across jobs (Worldat Work, 2007). The levels within each compensable the factor as well as the different levels of the factor to evaluate the scope and extent to factor's definition are rank ordered and a numeric point factor can be assigned to each level within each definition.
- 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.

**Example of Point factor levels for an education requirements compensable factor:**
**Compensable factor: Education Requirements**

| Level/Points | Level/Definition |
|---|---|
| 1/10pts | High School Diploma or GED |
| 2/20pts | Specialised Trade Certificate |
| 3/30pts | Associate's Degree |
| 4/40pts | Bachelor's Degree |
| 5/50pts | Master's Degree |
| 6/60pts | Doctoral Degree |

Let's look at few examples as above mentioned of how compensable factors may be quantitatively defined with corresponding point factors. In each of these examples, there is a relatively consistent number of levels, and each represents a significant distinction from the prior level and the next level. If you have ever studied factor analysis in a statistics class, this is the concept of parsimony- each level is a stand-alone entity; it neither redundantly overlaps another factor nor is it obscured, because it is inappropriately rolled into another level. Once a suitable number of levels is determined and represent how a factor is defined in terms of its breadth or depth, we essentially have the infrastructure for a point-factor rating system. The next component to be developed is a factor weighting system, which we will examine next.

**Example of Point Factor levels for a Relevant Work Experience Compensable factor**
**Compensable Factor: Relevant Work Experience**

| Level/ Points | Level/Definition |
|---|---|
| 1/10pts | Less than 1 year |
| 2/20pts | 1-3 years |
| 3/30pts | 4-6 years |
| 4/40pts | 7-9 years |

| | |
|---|---|
| 5/50pts | 10-12 years |
| 6/60pts | 13-15 years |
| 7/70pts | More than 15 years |

**Example of Point-Factor Levels for a Task Frequency Compensable Factor**

**Compensable Factor: Task Frequency**

| **Level/Points** | **Level/ Definition** |
|---|---|
| 1/10pts | Less than 15% of total work time |
| 2/20pts | 16%-30% of total work time |
| 3/30pts | 31%-45% of total work time |
| 4/40pts | 46%-60% of total work time |
| 5/50pts | 61%-75% of total work time |
| 6/60pts | 76%-90% of total work time |
| 7/70pts | More than 90% of total work time |

**Example of Point-Factor Levels for a Supervisory Responsibility Compensable Factor**
**Compensable Factor: Supervisory Responsibility**

| Level/Points | Level/Definition |
|---|---|
| 1/10pts | No supervisory responsibility |
| 2/20pts | Supervises 1-5 employees, but does not oversee an entire department/shift |
| 3/30pts | Supervises 6-10 employees, but does not oversee an entire department/shift |
| 4/40pts | Supervises 11-15 employees, but does not oversee an entire department/shift |
| 5/50pts | Supervises more than 15 employees, but does not oversee an entire department/shift |
| 6/60pts | Supervises 1-10 employees and oversees an entire department/shift |
| 7/70pts | Supervises more than 10 employees and oversees an entire department/shift |

**Factor Weights**

A percentage representing the extent to which a compensable factor impacts an organisation's objectives.

Factors should be weighted based on the extent to which they impact an organization's objectives. The greater the value a factor has to the organization in terms of achieving its objectives and sustaining its vision and strategic goals, the higher the factor weighting should be. Each weight is s represented as a percentage, and the weights of all the factors being incorporated in the job evaluation should ultimately equal 100%. Let's consider the factors we just defined and assigned points to illustrate the calculation of factor weights. If an organization determines that relevant work experience is the most valuable factor of this group, followed by education, with task frequency & supervisory responsibility having equal value, then the weights could be set up in the following manner.

| | |
|---|---|
| Relevant Work Experience | 35% |
| Education | 25% |
| Task Frequency | 20% |
| Supervisory Responsibility | 20% |
| Total | 100% |

- This type of weighting system is not unlike an academic assessment weighting system that you may likely see on a course syllabus, in which a research paper is determined to be the most critical element and is weighted as 35% of a student's total course grade, followed by exams, which are averaged and weighted as 30% of the grade, a presentation, which is weighted as 20% of the grade, and attendance/participation weighted as 15% of the overall course grade.
- As you may imagine, there is no set formula or correct answer for setting factor weights; it really depends on the needs of the organization and how each factor adds its own value in terms of enabling the job incumbent to contribute to produce outcomes that are in alignment with organizational objectives. It is important to note that there should be consistency and agreement among the factors and their weights for similar jobs and job families.
- For example, an HR professional should be able to examine all the jobs with supervisory responsibility in an organization and validate that (a) supervisory responsibility is one of the factors included in the job evaluation for every job and (b) that the factor is defined and weighted consistently among all the jobs, even though they are in different departments or business units.

**STEP 3: ADD FACTOR POINTS TOGETHER TO DETERMINE OVERALL JOB VALUE**

- The final step in the job evaluation process is to calculate a weighted value for each compensable factor by multiplying its point rating score by its respective weighting percentage, and then add those numbers together to determine an overall job value.
- The following examples depict how the point-factor ratings and weighting percentages used together enable the objective assessment of job value across disparate, unrelated jobs.

**Example1**

| **Job:** | **Senior Accountant** |
|---|---|
| Relevant Work Experience | 40 pts x 35% = 14.00 |
| Education: | 50 pts x 25% = 12.50 |
| Task Frequency | 30 pts x 20% = 6.00 |
| Task Complexity: | 60 pts x 20% = 12.00 |
| Total: | 44.50 |

**Example 2**

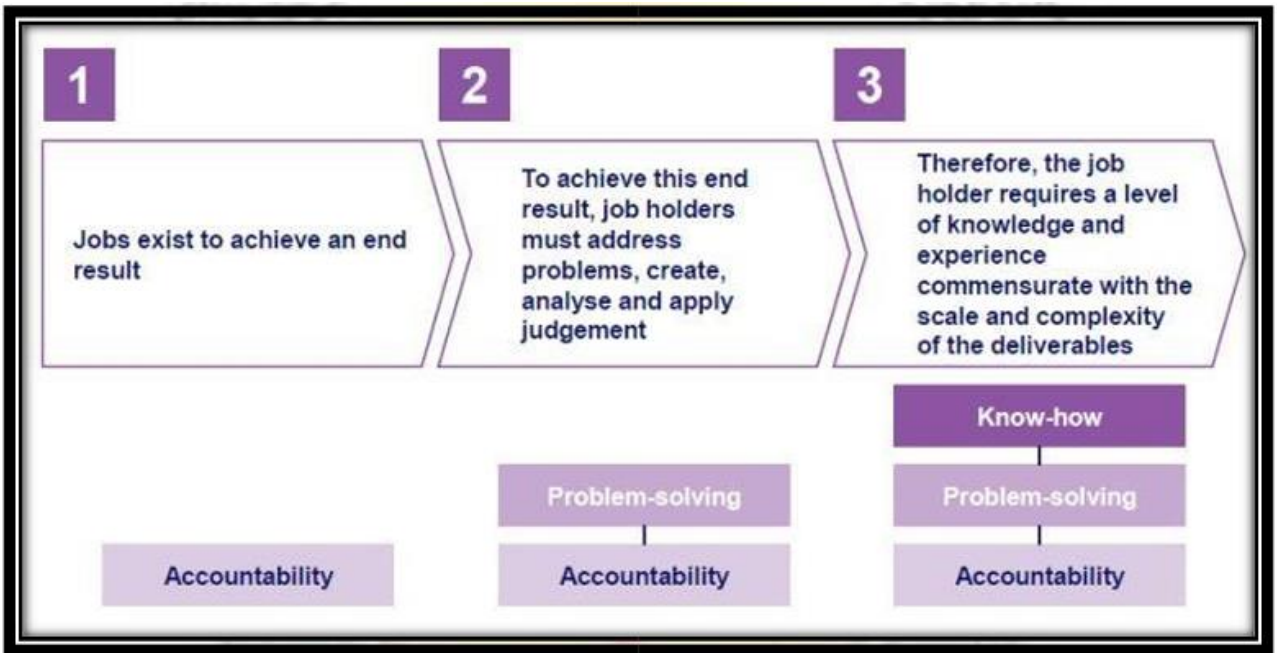
| Job | Front Desk Receptionist |
|---|---|
| Relevant Work Experience | 20 pts x 35% = 7.00 |
| Education: | 10 pts x 25% = 2.50 |
| Task Frequency: | 60 pts x 20% = 12.00 |
| Task Complexity: | 30 pts x 20%= 6.00 |
| Total: | 27.50 |

Perhaps the most important benefit of the point factor method is that it provides the standardized worth using this assessment technique. The point-factor method is a pragmatic approach to objectivity, and consistency. There is virtually no subjectivity involved when evaluating a job's ensures all jobs are clearly and fairly differentiated based on their respective elements. Even combination of compensable factors with varying point factors, these values will overlap among the jobs in an organization. This is why the job of help desk supervisor or HR coordinator within an organization's compensation structure, even though these jobs are quite different from each other. They may represent the same overall worth to the organisation.

- Another critical benefit of job evaluation is that it will reduce the likelihood of pay compression, which occurs when the pay among a set of jobs is very similar-clustered together-even though they are quite different in terms of job factors. Conducting regular job evaluations will and in alignment with a enable an organization to forecast and plan pay range adjustments based comparable external job, on changing market rates and shifting trends in job design and in-demand KSAOs, which will ensure external equity as well as sustain internal equity between existing employees and new hires. Point-factor plans can be developed in-house, purchased as off-the-shelf prebuilt systems, or custom developed by consultants specializing in job evaluation and strategic compensation planning.

- **Pay Compensation:**
  A Compensation issue that occurs when the pay figures among a set of jobs are clustered together, even when the jobs compensable factors are very different.
- **Eternal Equity**
  The extent to which an internal job is equitable and in alignment with a comparable external job.
- **Internal Equity**
  The extent to which one internal job is equitable and in alignment with another comparable internal job.

**HAY GROUP—PIONEER IN JOB EVALUATION**




- Hay Group was founded by Edward Hay, a senior personnel manager, in 1943. Even back in the 1940s, Edward Hay believed "the most successful companies of the future will be the ones that take full advantage of improved personnel techniques" (Capitalism 2.0 Inc., 2018).
- His vision was to provide credible, accurate, and reliable data, tools, and advisory services for organizations to use to effectively leverage the talent and skills of their employees and to foster motivation and performance.
- Hay's point-factor methodology was based on a foundation for effective job assessment that included the following components for ascertaining a job's value to the organization:

1. Job-required knowledge
2. Problem-solving and analytical ability
3. Level and scope of essential job responsibilities
4. A job's working conditions

- ♦ The Hay guide charts are comprised of three Universal Factors , & within each factor are categories referred to as dimensions:

**ACCOUNTABILITY**

It represents a job's measurable impact on an organisation and its value &comprised of the following three dimensions:

1. Freedom to act: The degree of autonomy and empowerment in a job for decision making.
2. Scope: The range of organizational objectives and outcomes that the job impacts.
3. Impact: The degree of indirect and direct influence a job has on the specified range of organizational objectives (scope)

**KNOW-HOW**

It represents the KSAOS that are necessary for exemplary job performance and is comprised of the following three dimensions:.

1. Practical/technical knowledge: The necessary breadth and depth of technical/specialized knowledge for effectively performing a job.

2. Planning, organizing, and integrating (managerial) knowledge: A job's required managerial responsibilities that impact the achievement of functional/departmental objectives, such as planning, organizing, staffing, directing, and controlling financial, physical, and human resources

3. Communicating and infuencng skills: A job's required interpersonal and communication skills for effective interaction with all internal and external stakeholders

**PROBLEM SOLVING**

Problem solving represents the extent to which the know-how of a job is used and leveraged to identify, define, analyze, and effectively resolve problems, and consists of two dimensions:

1. Thinking environment: The extent to which a job involves the addressing of business matters and issues that require a focus on strategy, policy, precedents, procedures, or rules

2. Thinking challenge: The complexity of problems handled in a job and the extent to which their solutions add value to the organization

A fourth factor, working conditions, also exists and may be implemented for non exempt Jobs and jobs involving a higher degree of physical labor and/or more physically demanding contextual factors. This factor is comprised of the dimensions of physical effort, working environment, sensory attention, and physical risks.

**Job Evaluation Specimen Sheet** designed in the style commonly used by large Indian corporations such as **Reliance Industries Ltd.** This is a **sample/template.**

---

**JOB EVALUATION SPECIMEN SHEET – RELIANCE (Sample Format)**

**Organization: Reliance Industries Limited (Sample)**

**Department: _____**

**Job Title: _____**

**Job Code: _____**

**Location: _____**

**Date of Evaluation: _____**

**Evaluator Name & Designation: _____**

---

**1. JOB PURPOSE / ROLE SUMMARY**

*A brief description of why the job exists*

Example:

"To manage plant operations efficiently, ensure safety compliance, and achieve production targets while maintaining quality standards."

---

**2. KEY RESPONSIBILITIES (KRAs)**

| Sl. No | Key Responsibility Area | Weightage (%) |
|---|---|---|
| 1 | Operations management | 25% |
| 2 | Safety & compliance | 20% |
| 3 | Team supervision & coordination | 20% |
| 4 | Reporting & documentation | 15% |
| 5 | Quality assurance | 20% |

---

**3. JOB DIMENSIONS**

| Parameter | Details |
|---|---|
| Number of Team Members Supervised | _____ |
| Budget Responsibility | _____ |
| Equipment/Assets Handled | _____ |
| Production Targets | _____ |

---

**4. COMPETENCY REQUIREMENTS**

| Competency Category | Required Level | Description |
|---|---|---|
| Technical Skills | High | Knowledge of plant machinery, processes |

| Competency Category | Required Level | Description |
|---|---|---|
| Problem Solving | Medium–High | Ability to analyse issues quickly |
| Leadership | Medium | Supervising teams and shifts |
| Communication | Medium | Reporting, coordinating with departments |
| Safety Awareness | High | Compliance with safety standards |

---

**5. EDUCATION & EXPERIENCE**

| Criteria | Requirement |
|---|---|
| Minimum Qualification | Diploma/Graduate in Engineering |
| Preferred Qualification | Post-Graduation/Certification |
| Experience Required | ___ Years |
| Industry Exposure | Manufacturing / Petrochemicals (preferred) |

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**6. JOB EVALUATION FACTORS (POINT RATING)**

| Factor | Description | Points |
|---|---|---|
| Knowledge & Skills | Technical know-how, experience | ___ |
| Problem Solving | Complexity of decisions | ___ |
| Responsibility | Accountability, supervision | ___ |
| Working Conditions | Environment, physical demands | ___ |
| Impact on Business | Contribution to business goals | ___ |
| **Total Points** | | **_____** |

---

**7. JOB GRADE & PAY LEVEL (AFTER EVALUATION)**

| Parameter | Evaluated Output |
|---|---|
| Job Grade | _____ |
| Pay Band / Level | _____ |
| Salary Range | _____ |

---

**8. APPROVALS**

| Name | Designation | Signature |
|---|---|---|
| Evaluator | | |
| Department Head | | |
| HR Head | | |

## DETERMINING COMPENSATION USING JOB EVALUATION DATA

- Benchmark analysis: the process of comparing internal job data with external job data sources to determine its market value.
- A benchmark job is one that has **a standard and consistent set of responsibilities from one organization to another** and for which data is available in valid and reliable salary surveys. To classify a benchmark job, data is compiled from appropriate salary surveys to determine the median salary rate for the job.
- A salary benchmark job is defined as a job that is widespread across many industries. For example, **Accountant** is a benchmark job. Some companies may title the job Bookkeeper or Financial Planner. But if the job descriptions for these roles are the same, they would each fall within the benchmarked job of Accountant.
- A benchmark job enables **the accumulation and analysis of the labor market within a company, industry, or regional area**. Doing so enables employers, researchers, government agencies, and other entities to make various types of determinations, from hiring to promotions to training.
- Steps to be followed:

1. Validation that the internal jobs to be part of the benchmark analysis have up to date and accurate job descriptions
2. Rigorous evaluation and selection of appropriate benchmark data sources
3. The correct comparison of the internal job with benchmark job.

## LEGAL AND ETHICAL CONSIDERATIONS FOR JOB EVALUATION

- The benefit of conducting a job evaluation is that any overlap among jobs will be justified by an accurate and reliable supporting assessment.
- This becomes particularly important for jobs that yet their unique distribution of compensable job factors results in their being at the same are very different from one another, such as a maintenance supervisor and a project manager, compensation level.
- Comparable worth :under the equity pay act of 1963, this concept states that jobs determined to be equal in terms of their overall value to an organisation should receive the same compensation.
- A legal consideration relevant to job evaluation is that of comparable worth, which falls under the Equal Pay Act of 1963.
- Comparable worth states that jobs determined to be equal in terms of their overall value to an organization should receive the same compensation.

- "Equal" does not necessarily mean identically the same in terms of job title, level, or qualifications, but rather how jobs compare to each other in terms of having equivalent skills, complexity, effort, working conditions, and responsibilities. Job evaluation is a critically important process to ensure that jobs demonstrating comparable worth are paid the same.

**ONLINE SALARY SURVEY**

- A salary survey is **a tool specifically for remuneration specialists and managers to define a fair and competitive salary for the employees of a company**.
- The survey output is data on the average or median salary for a specific position, taking into consideration the region, industry, company size, etc.
- **Average salary, Inflation indicators and Salary budget averages** are included in salary survey.
- Salary surveys are typically conducted with numerous Organisations in a given employment sector or industry in order to determine levels of pay for specific job groups or classifications.

**PURPOSE OF ONLINE SALARY SURVEY**

- Salary Surveys are **tools used to determine the median or average compensation paid to employees in one or more jobs**.
- Compensation data, collected from several employers, is analyzed to develop an understanding of the amount of compensation paid.
- Companies with fewer than 500 employees spend an **average of $2,000 annually** on salary surveys, and companies with more than 5,000 employees spend up to $15,000 or more each year on these important data sources. Companies pay for compensation data because the benefits exceed the costs.

**5 top IT salary surveys**

- Robert Half 2019 Technology & IT Salary Guide.
- Foote Partners' 2018 IT Salary and Skills Pay Survey Reports.
- Dice's 2018 Tech Salary Report.
- PayScale Salary Survey.
- Indeed's Search and Compare.

**HOW TO CONDUCT A SALARY SURVEY**

- Compensation analysts routinely conduct salary surveys to explain employment and labor market trends. Their studies include salaries for specific occupations, geographic areas or industries.

- Employers use the results of salary surveys to **determine whether their own compensation structures are aligned with industry salaries or to establish new salary scales.** Based on the type of data required, the process for conducting a salary survey may differ slightly.
- List the **industry and geographic area from which you'll gather your data**. For example, to focus your salary survey on nurses' hospital wages in a metropolitan area with a population of fewer than 500,000, select four to six hospitals within that geographic region.
- Determine the **occupational groups for your study.** Keep your occupations and titles to those that are commonly used so you're comparing similar jobs. For example, choose registered nurses, licensed practical nurses, certified nursing assistants and charge nurses.
- **Draft a letter to introduce yourself and the firm on behalf** of which you're conducting the study. Provide your credentials and a copy of previous salary and wage surveys you've conducted. Employers often are reluctant to release information about their salaries, so you'll need to establish yourself as a legitimate professional. Provide a confidentiality statement with your letter.
- **Construct your questionnaire**. Using a questionnaire significantly decreases the amount of paperwork involved in your survey.
- Assemble **your returned surveys and analyze data** according to hospital or other business and tenure or seniority. Calculate salary averages for each position.
- In addition, **produce mean and median salaries** for each position and title. Produce narratives for hospitals or the companies you've surveyed. Your narratives should include details about each hospital, such as number of beds, employees, union representation and bargaining units, number and kind of patient care units, university or religious affiliation and nurse-patient ratio.
- For other **businesses, include number of offices** or branches, employees, union representation and bargaining units and any other industry-specific information that might bear on the salary data.
- **Compile your analysis and narratives** into a presentation or comprehensive document you can deliver to employers. If you are conducting a survey independent of a professional association, offer to provide your results to the association. In addition, provide your survey participants with advance copies of the completed survey.

# STEPS IN ONLINE SALARY SURVEY

Conducting an online salary survey involves several steps to collect and analyze compensation data. Here is a general outline of the steps involved in an online salary survey:

1. **Define Objectives:**

- Clearly define the objectives of the salary survey. Determine the specific information you want to gather, such as salary benchmarks for certain positions or insights into industry trends.

2. **Identify Participants:**

- Determine the target participants for the survey. This could include specific industries, job functions, geographic locations, or a combination of factors. Define the criteria for inclusion.

3. **Select a Survey Tool:**
- Choose an online survey tool that fits the needs of your organization. Ensure the tool allows for anonymity, data security, and ease of use. Common tools include SurveyMonkey, Google Forms, or specialized compensation survey platforms.

4. **Develop Survey Questions:**
- Craft clear and relevant survey questions that align with the survey objectives. Include questions about job roles, experience levels, education, and specific compensation details like base salary, bonuses, and benefits.

5. **Ensure Anonymity and Confidentiality:**
- Communicate to participants that their responses will be kept confidential and that the survey is designed to collect aggregate data. This encourages honest and accurate responses.

6. **Pilot Test the Survey:**
- Before launching the survey to a broader audience, conduct a pilot test with a small group of participants to identify any potential issues with the survey structure, wording, or functionality.

7. **Launch the Survey:**
- Distribute the survey to the targeted participants through various channels, such as email, internal communication platforms, or industry associations. Clearly communicate the purpose and importance of the survey.

8. **Promote Participation:**
- Encourage participation by emphasizing the importance of the survey results and how it will benefit participants. Consider offering incentives, such as access to survey results or a summary report.

9. **Collect Responses:**
- Monitor survey responses as they come in and address any technical issues or participant queries promptly. Set a deadline for responses to ensure timely data collection.

10. **Data Analysis:**
- Collate and analyze the survey data. Use statistical methods to identify trends, averages, and outliers. Consider segmenting data based on relevant factors like job level, industry, or geographic location.

11. **Generate Reports:**
- Create comprehensive reports summarizing the survey findings. Present key insights, average salary ranges, and any notable trends. Ensure the reports are clear and accessible for decision-makers.

12. **Share Results:**
- Communicate the survey results to participants and other stakeholders. This transparency can help build trust and may encourage participation in future surveys.

13. **Adjust Compensation Strategies:**
- Use the survey results to inform and adjust compensation strategies within the organization. Compare your organization's compensation practices with industry benchmarks and adjust as necessary.

14. **Regular Updates:**

- Consider conducting regular salary surveys to keep compensation data up-to-date. Industries and job markets can change, and regular surveys help organizations stay competitive.

By following these steps, organizations can effectively conduct an online salary survey to gather valuable compensation data and make informed decisions about their compensation strategies.

## Hay Group Model of Job Evaluation

The Hay Group, now part of Korn Ferry, is known for its widely used job evaluation methodology, commonly referred to as the Hay Group Job Evaluation System. This system is based on a Point Factor method and involves the assessment of jobs based on various compensable factors. Here is an overview of the key elements of the Hay Group Job Evaluation Model:

1. **Compensable Factors:**
    - The Hay Group model identifies and evaluates jobs based on a set of key factors that contribute to their value. These factors typically include:
        - **Know-How:** The knowledge and skills required for the job.
        - **Problem Solving:** The complexity of problems the jobholder must solve.
        - **Accountability:** The level of responsibility and decision-making authority.
        - **Working Conditions:** The physical and environmental conditions of the job.
        - **Impact:** The influence of the job on the organization.
2. **Factor Degrees:**
    - Each compensable factor is divided into degrees or levels that reflect the extent to which the factor is present in a particular job. Degrees help in assessing the relative importance of each factor in different jobs.
3. **Point Factor System:**
    - The Hay Group Job Evaluation System uses a Point Factor approach, where points are assigned to each degree of each

compensable factor. These points are added up to determine the total point value for a job.

4. **Job Evaluation Committee:**
    - A committee, often composed of HR professionals and subject matter experts, is responsible for evaluating and assigning points to jobs. This ensures a more objective and consistent evaluation process.
5. **Job Analysis:**
    - Before evaluation, a thorough job analysis is conducted to gather information about each job, including its responsibilities, skills required, and working conditions. This data forms the basis for the evaluation process.
6. **Job Grading or Ranking:**
    - Once jobs are assigned point values, they can be grouped into grades or ranked based on their total points. This helps in establishing a hierarchy of jobs within the organization.
7. **Market Pricing:**
    - The Hay Group model often incorporates market pricing, where the results of the job evaluation are compared with external market data to ensure that the organization's pay structure is competitive.
8. **Flexibility:**
    - One of the strengths of the Hay Group model is its flexibility. Organizations can customize the model to align with their specific needs and priorities, adjusting factors and degrees accordingly.
9. **Communication of Results:**
    - The results of the job evaluation are communicated to employees, ensuring transparency in the organization's compensation structure. This can contribute to employee understanding and satisfaction.
10. **Regular Review and Update:**
    - The Hay Group model encourages regular reviews and updates to ensure that the job evaluation system remains relevant and reflective of changes in job roles, organizational structure, and market conditions.

The Hay Group's Job Evaluation Model has been widely adopted by organizations globally for its systematic and comprehensive approach to assessing job value. It provides a structured framework for determining internal equity and supporting fair and competitive compensation practices.

**IMPORTANT QUESTIONS:**

1. Define JE? 3M
2. Elaborate JE Process? 10M
3. What is KSAO'S?3M
4. Examine Hay group model in JE? 7M
5. Describe online salary survey and steps involved in it? 7m
6. What is Benchmark Analysis? Examine the steps in BA with a an example ?7m
7. What is Compensable Job Factor? 3m
8. Define External Equity and Internal Equity? 3m