

An Overview of the Job Evaluation Process

Job Evaluation is a technique to rank jobs in an organization on the basis of the duties and responsibilities assigned to the job. The job evaluation process results in a job being assigned to a pay grade. The pay grade is associated with a pay range that is defined by a minimum and a maximum pay rate.

Job evaluation plans have been in use for approximately 75 years in the public and private sectors. There are many variations to the design a job evaluation plan. However, they all basically follow the same approach, which is to value each job in a defined group of jobs based on a common set of generic factors.

The first set of decisions that an organization is required to make when installing a job evaluation plan is to determine which jobs in the organization will be covered by the plan and what factors will be used in the job evaluation process.

Exhibit 1 lists factors that are frequently used in job evaluation plans. The factors are selected depending upon the type of jobs to be evaluated. The factors are grouped by the four factors defined in the Equal Pay Act of 1963.

The second step in the job evaluation process is to collect information about each job to be evaluated. This can be done using a job analysis questionnaire, job descriptions, observation and interviews with employees and supervisors.

Step three in the process is to systematically rate each job based on the job evaluation factors selected. The points assigned for each of the factors are totaled for each job. Table 2 illustrates how the factors are subdivided by degrees. The degrees define the extent that the factor is found in the job. Table 3 illustrates the evaluation of a job.

The fourth step is to select the benchmark jobs from the jobs that have been evaluated. The benchmark jobs are those jobs commonly found in most organizations and are typically included in salary surveys. The benchmark jobs connect the internal pay structure with the external labor market.

A technique to visualize the relationship between the internal structure and the market (Exhibit 4) is to plot each of the benchmark jobs using the benchmark's total job evaluation points as the X axis and the average market rate as the Y axis. A line of best fit can be developed from the plot. This line can be used as a guide to determine the number of grades, the midpoints for each pay grade, and which jobs should be grouped in the same grade.

Related Topics

- Compease
- The Hay Plan
- Developing Salary Ranges

Skill	Effort
Education	Mental Effort
Experience	Problem Solving
Communication	Concentration
	Complexity
Responsibility	Working Conditions
Financial Responsibility	Mental Demand
Supervision	Physical Effort
Freedom to Act	Visual Demand
Decision-making	
Contacts with others	
Operational Latitude	

Factors	Degrees			
	1	2	3	4
Education	15	30	45	60
Experience	10	20	30	40
Problem Solving	20	40	60	80
Impact	18	36	54	72
Physical Effort	5	10	15	20

Job Title	Education	Experience	Problem Solving	Impact	Physical Effort	Total Points
Field Assistant	30	20	20	36	15	121

