

Advanced HRM

Unit I

Que : Explain the concept, objectives and procedure of Job Evaluation.

Concept of Job Evaluation :

Job evaluation is a systematic technique which aims at determining the worth of a job for fixing their remuneration. Job evaluation rates the job and not the man. It considers the demands of job in terms of efforts and abilities but does not take into account individual abilities and efforts. Once the worth of the jobs is determined, it becomes easier to fix the wage structure that will be fair and remunerative.

Job evaluation provides basis for developing job hierarchy and fixing a pay structure. External factors like labour market conditions, collective bargaining and individual differences do also affect the levels of wages. Nonetheless, job evaluation can certainly provide an objective standard from which modifications can be made in fixing wage structure.

The starting point to job evaluation is job analysis. No job can be evaluated unless and until it is analysed.

Definition :

According to Edwin Flippo,

“ Job evaluation is a systematic and orderly process determining the worth of a job in relation to other jobs.”

The objectives of job evaluation are to:

1. Provide a standard procedure for determining the relative worth of each job in a plant.
2. Determine equitable wage differentials between different jobs in the organization.
3. Eliminate wage inequalities.
4. Ensure that like wages are paid to all qualified employees for like work.

5. Form a basis for fixing incentives and different bonus plans.
6. Serve as a useful reference for setting individual grievances regarding wage rates.
7. Provide information for work organization, employees' selection, placement, training and numerous other similar problems.

Procedure of job evaluation:

Though the common objective of job evaluation is to establish the relative worth of jobs in a job hierarchy, there is no common procedure of job evaluation followed by all organizations. As such, the procedure of job evaluation varies from organization to organization. For example, a job evaluation procedure may consist of the eight stages as shown in the figure below.

1. Preliminary Stage:

This is the stage setting for job evaluation programme. In this stage, the required information's obtained about present arrangements, decisions are made on the need for a new programme or revision of an existing one and a clear cut choice is made of the type of programme is to be used by the organization.

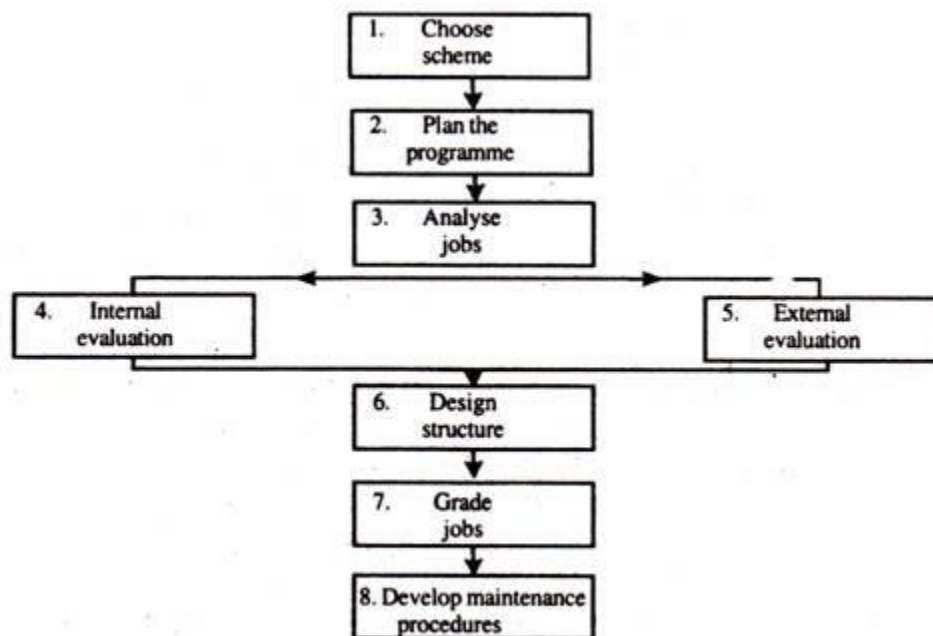


Fig. 14.1: Job Evaluation Programme

2. Planning Stage:

In this stage, the evaluation programme is drawn up and the job holders to be affected are informed. Due arrangements are made for setting up joint working parties and the sample of jobs to be evaluated is selected.

3. Analysis Stage:

This is the stage when required information about the sample of jobs is collected. This information serves as a basis for the internal and external evaluation of jobs.

4. Internal Evaluation Stage:

Next to analysis stage is internal evaluation stage. In the internal evaluation stage, the sample of bench-mark jobs are ranked by means of the chosen evaluation scheme as drawn up at the planning stage. Jobs are then graded on the basis of data pending the collection of market rate data. Relative worth of jobs is ascertained by comparing grades between the jobs.

5. External Evaluation Stage:

In this stage, information is collected on market rates at that time.

6. Design Stage:

Having ascertained grades for jobs, salary structure is designed in this stage.

7. Grading Stage:

This is the stage in which different jobs are slotted into the salary structure as designed in the preceding stage 6.

8. Developing and Maintaining Stage:

This is the final stage in a job evaluation programme. In this stage, procedures for maintaining the salary structure are developed with a view to accommodate inflationary pressures in the salary levels, grading new jobs into the structure and regarding the existing jobs in the light of changes in their responsibilities and market rates.