

# Appraising the Job through Job Evaluation (JE): Not an Exact Science

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## ABSTRACT

The most important factor in maintaining and developing sound industrial relations is wage / salary administration. It is in the interest of the organization to have a sound wage or salary structure so as to attract the talent in the organization and on the other hand to have a satisfied work group but it is one of the most difficult functions of the Personnel Management to determine the rates of monetary base compensation and it is not possible unless the relative worth of job is known. Determining base compensation is equally important for the employee because it determines the status of employee in the society. In order to determine the relative worth of the job in comparison to other jobs in the organization, Job Evaluation is the systematic technique for rating the job and not the job holder. It takes into account the demands of the jobs in terms of efforts and abilities but it does not take into account the individual efforts and abilities. It is an important tool in fixing the scales of wages for different grades of jobs. The procedure of job evaluation is tailored according to the needs of the organization. It involves collection of data through job analysis, preparation of job description and then job grading where relative levels of various jobs are determined leading to pricing the job by any of non quantitative or quantitative methods of job evaluation. None of the methods of job evaluation is free from defects; hence none is said to be the best in all conditions and, for all types of organizations. In order to make job evaluation more effective certain principles and a mix of all the methods should be adopted.

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## 1. Introduction

The systematic technique of determining the relative worth of the job in the organization in order to determine the relative base compensation for each job is called as Job Evaluation. In simple words, it is a technique for evaluating the job. It is a process by which job in an organization are appraised. In the words of Shukla A. it is defined as "an indispensable evaluative process by which the worth of jobs to the organization is assessed relative to all other jobs in the organization".

Job Evaluation program is indispensable in almost all organization because, they create equity in salary & wage administration, provide factual and systematic data about jobs and their relative values, establish effectively a basis and pattern for placement and promotion of employees, raise the morale of employees and thereby increases productivity.

## 2. Objectives of job evaluation

International Labour Organization reported that the aim of job evaluation program is to determine the relative worth of a job and on this basis set wages and salary of employees.

### 2.1 Evolving Rational Wage & Salary Structure

The Job Evaluation process is a technique in the hands of the management by which a more rational and consistent wage and salary structure may be evolved. Wage and Salary structure is designed on the basis of weights allotted to different factors in job evaluation.

### 2.2 Eliminating Inequalities

Job Evaluation evolves standard rates for similar or comparable job in the organization and thus inequalities in base compensation are removed by this technique. It removes not only the internal inconsistency but external inconsistency also.

### 2.3 Development of Employees

In a proper & rational job evaluation system, the position of job is fixed. Every employee knows the Job Description and Job Specification of each job. He tries to develop his personality so as to occupy the higher position.

### 2.4 Solving Salary & Wage Controversies

Job Evaluation provides a relatively objective base for salary and wage determination, therefore, controversies relating to salary and wages are resolved very easily by justifying the salary and wage rates for different job.

### 2.5 Determining Relative Worth of Job

Job Evaluation provides a standard procedure for determining the relative worth of each job and secure and maintain complete, accurate and impersonal descriptions of each distinct job in an organization.

### 2.6 Maintaining Sound Industrial Relation

Job Evaluation tends to eliminate inequalities in wage structure within the organization and also help in eliminating personal prejudices. Thus it promotes harmonious industrial relations in the organization because salary and wage inequality is the biggest single factor for labour disputes.

**2.7 Multifarious use of Job Evaluation (JE) data**

Statistics collected for job evaluation by Job Analysis, Job Grading and Job Classification techniques are used in other spheres of personnel management. Performance Appraisal, Promotion & Transfer, Recruitment & Training of employees, Determining working conditions, Simplification of jobs and Introducing incentive wage systems are based on Job Evaluation data.

**2.8 Recruitment, Selection & Placement**

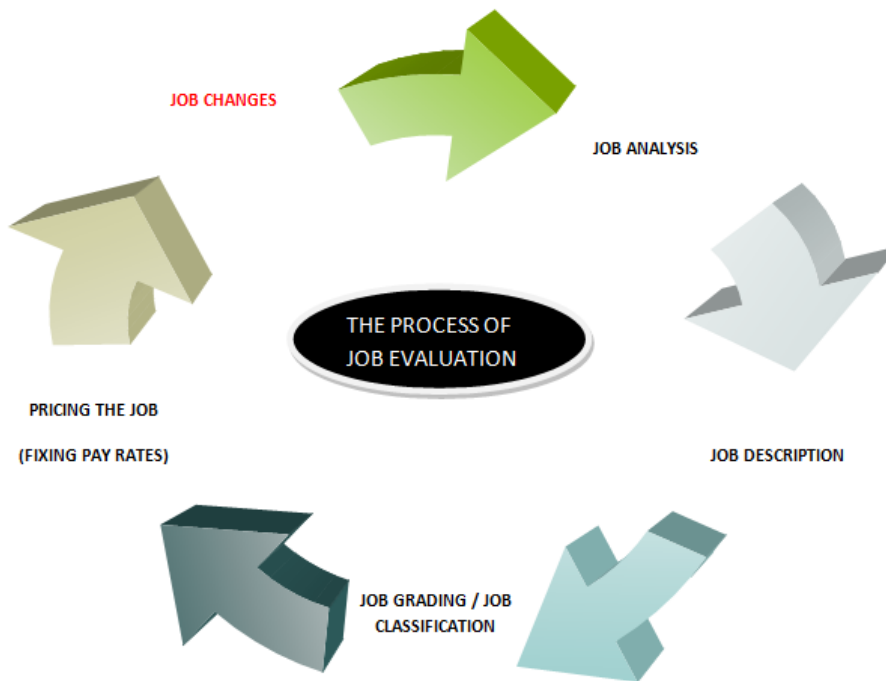
Job Evaluation involves Job Analysis & Appraisal which are of great use while recruiting the personnel. Selection & Placement can be made objectively by matching the qualifications of the candidate with Job Specification.

**2.9 Maintaining the Work Force**

Job Evaluation assists in retaining the workers in the organization because salary & wage is the single common factor which controls the labour turnover. If salary & wages are determined systematically by the process of Job Evaluation bearing in mind the external and internal consistencies it will help in maintaining the work force.

**3. Job evaluation (JE) process**

Job Evaluation is a systematic process of evaluating the jobs to know the relative worth of them. The basic procedure of JE is to compare the content of jobs in relation to one another. The steps involved in JE are as follows:



**3.1 Job Analysis (JA)**

Job Analysis is a process by which job, duties and responsibilities are defined and the information of various factors relating to jobs are collected, compiled and analyzed to determine the work conditions, nature of work, qualities of person to be employed on job, position of the job, opportunities available and authorities and privileges to be given on the job etc. According to Shukla A. it is defined as “an anatomy of the work studying the work as well as the analysis of the conditions and environment in which the work is performed”. In simple words JA is the determination of various components of a specific job. The main purpose of this analysis is to describe and define the distinctions among various jobs in the organization and their relationship.

**Contents of Job Analysis**

According to Dale Yoder, a JA provides information w.r.t (a) Job Identification {Its title, including its code number}, (b) Job Characteristics {Its location, physical setting, supervision, union jurisdiction, hazards and discomforts}, (c) What the Typical Worker Does {specific operation and tasks that

makeup an assignment, their relative timing and importance, their simplicity or complexity, the responsibility or safety}, (d) The Material and Equipment used {this includes metals, plastics, grains, yarns, milling machines, punch presses and micrometers etc.}, (e) How a job is performed {the nature of operation is prescribed i.e. handling, cleaning, washing, feeding, removing, drilling, driving, lifting etc}, (f) The required personnel attributes {experience, training, physical strength, coordination or dexterity, physical demands, mental faculties, aptitudes, social skills etc.},

**3.1.1 Job analysis (JA) process**

The five basic steps required for conducting JA are:

**A) Collection of Factual Information**

The first step in JA process is to collect the factual information relating to job by utilizing popular approaches like (a) Questionnaires (b) Narrative Descriptions (c) Observations (d) Interviews.

Two types of information's are collected:

i) Information regarding job such as its *physical environment* (temperature, noise, dirt, comfort and dangers etc.), its *social environment* (whether job is in teams, shifts or isolated), its *financial conditions* (wages, bonus, incentive schemes, or fringe benefits etc.) and

ii) Information regarding the qualities of persons holding the job i.e. its *physical demands* (muscular energy, hours of work, travel etc.) its *intellectual demands* (university, technical or professional degrees and problem solving abilities required) and skills, experience and personality factors required on the job.

### B) Completing Job Description (JD)

The job analyst first collects information and then puts such information in a standard JD form as a comprehensive draft. It is a statement showing full details of the activities of the job. Separate job description forms may be used for various activities in the job and may be compiled later on. The JA is made with the help of these JD forms. These forms may be used as reference for the future.

### C) Preparation of Job Specification (JS)

JS are also prepared on the basis of information collected. It is a statement of minimum acceptable qualities of the person to be placed on job. It specifies the standard by which the qualities of the person are measured. Job analyst prepares such statement taking into consideration the skills required in performing the job properly. Such statement is used in selecting a person matching with the job.

### D) Preparation of Report

The job analyst prepares a report on the basis of information collected mentioning the analysis of various activities on the job and the qualities of the individual to be placed on the job. Such report then, will be presented before the supervisor and the personnel manager for suggestions and comments. The analyst revises the original report in the light of the suggestions or comments given by the supervisor or the personnel manager to make it more correct and informative.

### E) Approval

The complete draft as presented by the analyst and approved by the supervisor and personnel manager may now be received by the top executive. The office bearers of the employee / worker / trade unions may also be taken into confidence before approving the draft finally.

If union officials have ideas for making changes, management should consider them as suggestions and incorporate such changes, if possible, in the JD and JS. The final draft should be approved by the top line executive or by the personnel manager who is responsible for making final decision on the matter.

## 3.2 Job Description (JD)

JD is the immediate product of job analysis process. It is a written descriptive statement of the organizational relationship, responsibilities and duties on a given job. In the words of Edwin B Flipppo "The first and immediate product of the job analysis is the job description. As its title indicates, this

document is basically descriptive in nature and constitutes a record of existing and pertinent job facts."

Thus, JD provides both organizational information (regarding the location, structure, authority etc.) and functional information (regarding the work itself). As defined by Shukla A. "Job Description describes 'jobs' and not the 'job holder', it defines the scope of job activities, major responsibilities and positioning of the job in an organization".

### Components of Job Description

JD contains the following information:

#### (a) Job Identification or Organizational Position:

First of all, JD spells about the job title, alternative title, department, division, plant, and code number of the job. Here, we can find answers to the questions: to what higher level job - is this job accountable and who is supervised directly?

#### (b) Job Summary

JD comprises of brief job summary that renders a reader a 'quick capsule explanation' of the content of the job.

#### (c) Job Activity

JD provides a comprehensive list of duties and responsibilities connected with the job. Answer to the following questions can be found from here. How the job should be done? Why should it be done? What needs to be done to complete a job? It also describes the responsibilities related to the custody of money, the supervision of workers and the training of subordinates.

#### (d) Supervision

Here the number of persons to be supervised along with their job titles and the extent of supervision involved (general, intermediate or close supervision) is mentioned.

#### (e) Machines, Tools and Equipments

The names of machines, tools and equipments required to complete a job are mentioned

#### (f) Relation to Other Jobs

This helps to locate the job in the organization by indicating the job immediately below or above it in the job hierarchy. It also gives an idea of the vertical relationships of work flow and procedures.

#### (g) Working Conditions

This provides information about the environment in which a job holder must work. These comprise of heat, cold, dust, wetness, fumes etc. For example a computer is supposed to be operated only in an air-conditioned room).

#### (h) Hazards

JD provides information about the possible work hazards while performing a job. Example, risk to life risk to limb etc.

## 3.3 Job Classification / Job Grading

It is the process by which the relative levels of various jobs are determined. Jobs in the organization are classified into

several groups such as clerical, accounting, stenographic etc. according to the similarity of duty, responsibility and specification. They may further be classified within the group on similar basis. Differences within these classes are expressed by differences in duties and responsibilities accompanied by comparatively similar specifications or differences in specifications accompanied by similarity of duties can be designate by job grades.

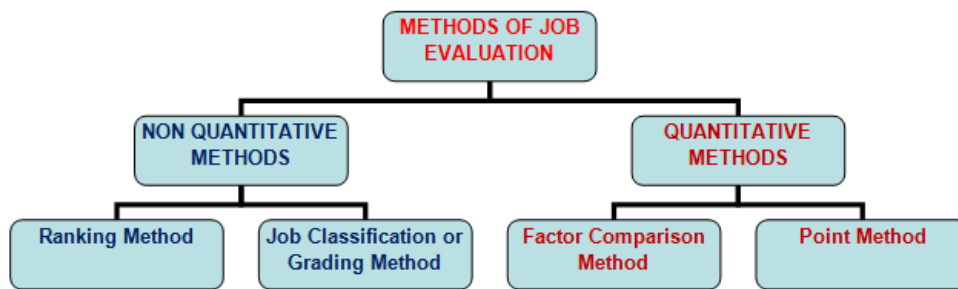
**3.4 Pricing the Job**

The primary objective of job evaluation is to know the relative worth of each job in order to price the job. Pricing the jobs in an organization is done taking into consideration the various factors and characteristics of the jobs by any of the methods of job evaluation so that inconsistencies (internal and external) in wages and salaries may be removed. The result of

job evaluation must be fair, rational, and unbiased and should be helpful in determination of fair and equitable salary and wage rates.

Internal inconsistency is concerned with the concept of relative wages within the firm. For example, if a supervisor is paid less than a subordinate, it is inconsistency in wage rates. External inconsistency refers to a desired relativity of organizations wage structure to that of the community, the industry or the nation. Wage and salary surveys are necessary for determining the external consistency. Collective bargaining may enter the picture. Job Evaluation reduces the area of collective bargaining by systematizing the determination of internal consistency which is concerned with proper wage differentials.

**4. Methods of job evaluation (JE)**



Broadly speaking there are four methods of JE - Ranking Method & Job Classification or Grading Method are known as non quantitative methods which make no use of detailed job factors. The job is treated as a whole and Job Descriptions rather than Job Specifications are often utilized, whereas Factor Comparison Method & Point Method are known as quantitative methods which definitely use a detailed approach. Different job factors are selected and measured in terms of job specifications.

**4.1 Ranking Method**

In this method, a committee of several executive is constituted which studies Job Descriptions and ranks them in order of importance beginning with the most important job to the least important job in the organization. No specific factors are selected. After ranking the jobs, they are placed into different salary ranges more or less on a predetermined basis in their rank order. The jobs already have wage rates attached to them, the ranking system is used to judge whether they are equitable or not. Ranking system is suitable for smaller organizations where the raters are fully acquainted with all the existing jobs in the enterprise.

**Advantages**

The system is quite simple. The organization does not experience any difficulty in installing this method. The workers also understand the process hence there is no problem in administering the system. Moreover, time taken in evaluating the job is less.

**Disadvantages**

The system has serious limitations that limit the usefulness of the system. The main limitation is there is no scientific approach in determining the ranks of the job. Importance of the job may arbitrarily be ranked which may result in difference in similar jobs and may be resented by the employees. The system decides the ranks of the jobs on the basis of their importance but not the reasons, why? Thus, the fairness of the judgment cannot be advocated if there arises an dispute regarding the fixation of grades. If a new job is to be introduced in the organization, it becomes a matter of dispute which rank should be allotted to it.

**4.2 Job Classification or Grading Method**

This method involves the establishment of job classes or grades. The system was evolved as an improvement over the ranking method. In this system Job Descriptions and Job Specifications are widely used. The committee of executives goes through each Job Description and carefully weighs it in the light of certain factors like skill, responsibilities, experience and type of work etc. In this way each job is assigned a grade or class and for each grade or class, there is a predetermined rate of wages. The system is widely used in Government offices and departments.

**Advantages**

The installation of system is also comparatively easy as there does not arise any difficulty in explaining the system to the employee. Under this method, it is possible to evaluate more accurately the Job Descriptions since the analysis is based on Job Descriptions. If a new job is to be introduced in

the organization, it is sufficient to associate it with a class or grade which is comparatively less difficult task.

### **Disadvantages**

The system is not suitable for a large scale organization. Under this method also, the jobs are classified by total contents and by factors that comprise them. It is, therefore, difficult to compile any comprehensive class specification for a large organization with a number of complex jobs. The existing wage and salary rates affect the grading of the job. It is a natural tendency of the raters to justify the existing salary ranges. If the Job Description justifies the lowering of the grade of a particular job, it cannot be done because labour normally does not accept any adverse condition of service.

### **4.3 Factor – Comparison Method**

It is a combination of the ranking and point systems. Under the system all jobs are compared to each other for the purpose of determining their relative importance by selecting four or five major job elements or factors which are common, more or less, to all jobs. These elements are not predetermined and chosen on the basis of Job Analysis. The number of factors may be more than five also. The five factors which are customarily used are – (a) mental requirements, (b) skills, (c) physical requirements, (d) responsibilities and (e) working conditions.

Under this system, a few jobs are selected as key jobs which serve as standard against which all other jobs are compared. Key job is one whose contents have been stabilized over a period of time and whose wage rate is considered to be presently correct by the management and the union. The steps in evaluating the job under this method can be enumerated as under –

**Step 1** : Various factors such as mental requirements, skills, physical requirements, responsibilities and working conditions are selected and defined clearly.

**Step 2** : Key jobs are selected.

**Step 3** : Wages are fixed for different factors of each key job.

**Step 4** : A comparison scale is developed. Each key job should be fitted to it, when all the key jobs have been evaluated and wages allocated in this manner, a job comparison scale is constructed.

**Step 5** : Jobs are evaluated factor by factor, in relation to key jobs on job comparison scale. Then each job is to be evaluated and compared to other jobs in terms of each factor, and

**Step 6** : A wage structure is designed, adjusted and operated.

### **Advantages**

The system results in more accurate job evaluation as it is more objective because weights are not selected. It is flexible as it has no upper limit on a rating that a job may receive on a factor. It utilizes few factors and thereby reduces the likelihood of overlapping. The procedure of rating new jobs by comparing with other standards or key job is logical and not too difficult to accomplish.

### **Disadvantages**

It is costly to install and somewhat difficult for anyone who is not acquainted with the general nature of job evaluation technique to grasp. The use of present wages for the key jobs may initially build errors into the plan. The contents and the value of these jobs may change over a period of time and this will lead to future errors. Under this system, job evaluation is made by experts and the top management has to rely upon the advice of the technical experts as such the program cannot be developed by the management independently, without the help of specialists. It is almost impossible to explain the complications of the system to employees as such effective communication is jeopardized considerably by lack of understanding. It is very difficult to allot due weightage to each factor.

### **4.4 Point Method**

This is the most widely used method of job evaluation. It along with factor comparison system involves a more detailed, quantitative and analytical approach to the measurement of job work. Under this method, a job manual is used which lays down the factors upon which each job should be rated. It also provides scales and yardsticks to measure the degree of each factor. It describes several job elements and prescribes the weightings to be applied to each such element. It includes a scale for each element by means of which varying degrees are to be appraised. These degrees determine the number of points to be credited to the job. The total of such points establishes the point value of the job. There are four major factors common to all point methods of rating – (a) skill, (b) efforts, (c) responsibilities and (d) job conditions. These may be, and usually are, further sub-divided. The total numbers of points so assigned, to a job are converted into money value.

### **Advantages**

This method is more effective because even the major factors are sub-divided which ensures accuracy of evaluation. The system is most suitable for large enterprises. It presents an objective study of job evaluation technique.

### **Disadvantages**

The award of point values results in developing a ceiling and floor for each job. As the system of predetermined point value is arbitrary there is a possibility that the scale may be incorrectly established at the initial stage of the installation of the program. If this happens, all of these succeeding works will reflect these errors and some of the jobs may be over or under valued.

## **5. Evaluation of various methods of job evaluation**

The analysis of advantages and disadvantages of the four different methods of JE confirms that none of the method is free from defects. None of the method is said to be best in all conditions and for all types of organizations. Yet the point method of JE is widely used method in almost all the organizations as a technique of JE because it presents an analytical approach to the measurement of job worth. Rather than following a single method of JE, it is advisable to adopt a modified pattern of JE program – a mix of all the methods. In order to make the JE more effective the following principles should be followed which can be applied to all kinds of

employees – Operatives as well as Executives. They can be applied to organizations of all sizes.

(a) Job must be rated and not the job-holder.

(b) Reasonably clear and accurate JD and JS must be available to provide the data concerning the factors to be evaluated.

(c) Factors to be evaluated must be ascertained and clearly defined. The various factors, then, should be grouped under the following heads – (i) skill, (ii) experience, (iii) responsibilities, (iv) efforts and initiatives, (v) working conditions, (vi) supervision needed.

(d) There must not be a list of too many pay-scales in the organization and Foreman or the supervisor should participate in rating of job in their own departments.

(e) The greatest degree of cooperation from employee, in job rating, will be achieved where they themselves have an opportunity to discuss the rating.

## 6. Factors tend to distort job evaluation

There are certain factors in JE process which are subject to serious questions. Reliability of Job Rating is often questionable. Some of the important criticism of JE is summarized as under:

### 6.1 Lack of Scientific Technique

JE is a systematic technique and not the scientific technique of rewarding the job. It lacks scientific precision because all factors cannot be measured accurately.

### 6.2 Individual Merit Ignored

There is strong feeling among the workers that individual merit should also be rewarded, so some kind of merit rating scheme has to be superimposed upon the evaluated rates. If individual abilities are not taken into account, some workers will always try to adjust themselves elsewhere. Thus it will increase the rate of labour turnover.

### 6.3 No Answer to Wage Differentials

JE does not offer any answer to wage problems because it says nothing about the absolute size of wage differentials appropriate to the evaluated job structure. It presents only the comparative worth of the job within the organization.

### 6.4 Number of Factors and their Standards

Too many factors are used in JE and moreover there is no standard list of factors to be considered. Definitions of factors vary from organization to organization. Many researches show that the factors used may not independently be valued at all.

### 6.5 Nature of Job

It presumes that jobs of equal worth will be equally attractive to all employees but in practice, it is not true. If a job

offers bright prospects of rise, more people will be attracted in comparison to a job having no prospects of rise though both are equally rated by job evaluation process. A job having no prospects of rise should offer higher wages in comparison to a job having better chances of progress.

### 6.6 Opposition by Workers

JE is regarded by the trade union with suspicion because it is made on certain principles and results are generally ignored. Moreover some of the methods, particularly Point method and Factor Comparison method are not easy to understand by the workers and moreover they fear that JE will do away with collective bargaining.

### 6.7 Limitations of Evaluators

Job evaluator should not be ignorant of the technique and principles of job analysis, Job Classification and Grading of Jobs otherwise it will affect the results of the JE. Moreover if evaluator is biased to a particular job he will allot more weight age to that job.

### 6.8 More Reliance on Internal Standards

JE tends to be inflexible in so far as it does not give right weightage to rates prevalent in the industry or region as a whole. It relies too much on internal standards and evaluation for fixing wage rates.

### 6.9 Unrealistic

JE is based on the assumption that wage rates can be related to the worth of a given job. It conveniently ignores the fact that conditions in the labour market have a greater impact in the fixation of wage rates. We can fix a fair wage rate by this system not a realistic wage rate.

## 7. Conclusion: JE is not an exact science

Though JE has limitations, yet it is very useful in evaluating the relative worth of the job. It provides a systematic technique of determining the relative worth of the job within the organization taking into consideration the various internal factors like skill, responsibility, initiative etc. and external factors like demand and supply of labour, existing wage structure in the industry and the region and so on. It helps to avoid several anomalies in wage and salary structure which may become the root cause of dispute between employer and employees. Exact Science certifies direct relationship between cause and effect. JE is a technique of Personnel Management / HRM whose subject matter is man. As because the nature of man is never exact, hence techniques or principles of social science can never produce exact results in all circumstances. They are always subjected to certain limitations, so is the case with JE technique. It also has certain limitations which should not be ignored while analyzing the results of JE. It is inaccurate to claim scientific exactness for the results of JE. No judgment, however, well informed is exact in scientific sense.

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