

Job Evaluations

The International Labour Office (ILO) defines job evaluation as *“an attempt to determine and compare the demands which the normal performance of a particular job makes on normal workers, without taking into account the individual abilities or performance of the workers concerned.”*¹

This fact sheet outlines several approaches to assessing positions within an organisation each with their own advantages and disadvantages.

Job evaluation is a technique for comparing the demands of jobs in terms of experience, responsibility, skill/ knowledge. It is widely used because:

- Job descriptions may not adequately describe the full range of competencies required to perform job related duties
- It is an objective process where the job is evaluated as opposed to the person in the position
- It can determine the relative worth of different jobs in an organisation to serve as the basis of an equitable salary structure within that organisation. Job evaluations do not determine actual pay but can provide data that can act as the basis for such decisions
- It enables comparison of remuneration rates against the overall market to inform effective responses to recruitment, retention and turnover issues
- After large-scale change (eg merger, expansion) cross-organisation job evaluations can help align positions particularly if it has resulted in a new structure.

Job evaluation can have many uses but it is equally important to remember what it is not. It is not a performance appraisal system. Consequently it is not concerned with total volume of work, number of people required to do it, scheduling of work or the ability of the position holder.

Good job evaluation relies on clear, detailed and up-to-date job descriptions as the basis of the evaluation process.

Common Methods of Job Evaluations

Several techniques of job evaluation have been developed. Each has its advantages, disadvantages, costs and risks. The most commonly used include job ranking, whole job classification, and points factor comparison.

Job Ranking

This method is one of the simplest to administer. Jobs are compared (in rank order) to each other on the basis of skill, effort (physical and mental), responsibility (supervisory and budgetary), which collectively are

¹ Cited in [Job Evaluation: Concept, Objectives and Procedure of Job Evaluation](#)

deemed to determine the overall worth of a job to the organisation. Working conditions can also be taken into account in assessing the difficulty of the job.

Table 1 Job Ranking	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Simple • Low - cost. • Very effective when there are relatively few jobs to be evaluated and ranked (eg less than 30). 	<ul style="list-style-type: none"> • More difficult to administer as the number of jobs increases. • Rank order judgments may be subjective. • Tells you more about relationship between the jobs within the organisation than about jobs relative to others in the sector (ie the market rate), so is less effective at providing an evidence base for pay determination. • Since there is no standard used for comparison, new jobs would have to be compared with the existing jobs to determine their appropriate rank. In essence, the ranking process would have to be repeated each time a new job is added to the organisation.

Whole job classification

Jobs are classified into a pre-existing hierarchy of grades/categories. A framework detailing the levels of competency and responsibility required throughout the organisation will have been established. This may be based on an existing award (eg SCHADS Award) or have been developed in-house.

Each level in the grade/category structure would typically have a detailed description associated with a particular level in the organisation (e.g. "Principal Officer") and associated job titles (e.g. "Head of X"). The classification of an individual position is decided by comparing the 'whole job' against corresponding grades selecting the closest match to the job. To ensure equity in job grading and remuneration, a common set of job grading standards and instructions are often used.

The standards are not designed to describe every aspect of a position but identify and describe the key characteristics to distinguish the different levels of competency and responsibility. They define these key characteristics to enable the process of assigning the appropriate grade level to all positions across the organisation.

Table 2 Whole Job Classification	
Advantages	Disadvantages
<ul style="list-style-type: none"> Simple to apply if robust job grading standards and instructions are developed and understood. The grade/category structure exists independent of the jobs. Therefore, newly created jobs can be classified more easily than the ranking method. 	<ul style="list-style-type: none"> Classification judgments can be subjective. The standard used for comparison (the grade/category structure) may have built in biases that could negatively affect certain groups of employees. Anomalies can occur where jobs appear to fit within more than one grade/category and may require negotiation.

Each factor and sub factor is described where they are:

- observable and measurable
- explainable and have some relationship to job difficulty or job value
- occur in all or most jobs
- represent one or other of the most important components of every job (eg skill, responsibilities, etc)
- measure separate characteristics.

Each factor and sub factor is allocated a point value. These represent the relative weighting of factors compared to each other. The range of the point scale reflects its importance relative to the other factors. In the example below, *Knowledge and Skills* and *Accountability* are the most important aspects of all positions and also have the potential of attracting the greatest number of points.

FACTOR	POTENTIAL POINT	WEIGHTING
Knowledge and skills	40 to 560 points	35%
Mental Demands	5 to 424 points	26%
Accountability	10 to 560 points	35%
Working Conditions	0 to 70 points	4%

The next step is dependent on well written, accurate job descriptions. These are evaluated against the schedule of points (as in the example above) for each of the factors (hence 'points factor'). Points are allocated to each factor and sub factor resulting in a points total for each position.

Benchmark jobs are identified (ie those that are felt to be equitably paid) and all other positions are compared against them.

Table 3 Points Factor Comparison	
Advantages	Disadvantages
<ul style="list-style-type: none"> • The value of the job is expressed in monetary terms. • Can be applied to a wide range of jobs. • Can be applied to newly created jobs. 	<ul style="list-style-type: none"> • Longer and more time consuming , and requires more specialist knowledge of the process • The pay for each factor is based on relatively subjective judgments. • The standard used for determining the pay for each factor may have build in biases that would affect certain groups of employees.

General tips for successful job evaluation

Tip 1

The process is often as important as the results, so it is essential to involve the people occupying the positions under evaluation. This becomes more important if you think your organisation’s job descriptions are poorly written or out of date. People in the positions and their supervisors will have the best understanding of what the job entails.

Job evaluation is most effective as a participative exercise and this in itself can improve employment relations. However, care should be taken of people ‘talking up’ their role and hence its overall worth.

It is recommended that job evaluation be introduced or revised jointly by allowing management and employee representatives to discuss relevant issues (ie terms and conditions) initially in a non-negotiating forum.

This is because:

- a joint approach is more likely to commit both parties to the outcomes and recommendations
- a joint forum will generate more ideas and recommendations than might be expected in a more formal negotiating meeting
- a jointly agreed job evaluation scheme can remove emotion from grading queries by allowing reasoning, rather than confrontation to prevail
- in the event (post evaluation) of a claim by someone that their job is ‘worth’ the same as another (an “equal value” claim), a jointly agreed analytical scheme is more likely to be regarded as fair by an employment tribunal or external mediators.

Tip 2

At the beginning of the process decisions should be made about how results will be communicated.

Tip 3

Keep accurate records of decisions taken during the process, to ensure openness and transparency. Build confidence in the process and outcomes by briefing people about the methods being used, why it is being used and who else uses it. Many organisations choose to engage consultants to manage parts or the entire process. These consultants may have access to the comprehensive databases containing detailed information about remuneration levels in different sectors.

Tip 4

It is important to be very clear that job evaluation methods are not to be confused with performance management or appraisal, where the primary concern is with how well a job is performed. Job evaluation is not a method for either measuring or rewarding performance.

Tip 5

An appeals or review procedure should be established before the evaluation begins. This will assist transparency and understanding of what can often be a challenging or sensitive process for some people.

Tip 6

Up to date, accurate job descriptions are essential and should be reviewed for accuracy with the current position holder before evaluation. Position descriptions can be reviewed during annual performance appraisals. More complex job evaluation techniques require more information. The primary source of this information is most likely the job description. The more complex the job evaluation scheme, the more detailed the job description needs to be.

Tip 7

Evaluating roles can be time consuming. Job evaluation should be an ongoing process (ie when new jobs are created or vacated or when reviewing job descriptions.) If 'whole of organisation' reviews are required then recent evaluations can be updated.

NB: The footnoted website was accessible on 21 Dec 2015. If the link does not work search on the title of the document.