Lecture - 39
Valuing and grading jobs, understanding pay level, job evaluation schemes, equal pay, market rate analysis, designing of grade and pay structure (Contd.)

Welcome to the topic on Valuing and grading jobs, understanding pay levels, job evaluation schemes, equal pay, market rate analysis, designing of grade and pay structure. Today we will continue with the discussion on job evaluation meaning and schemes, we will cover the analytical methods and non analytical methods of job evaluation in this discussion. So, let us begin.

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In the last session, we discussed like there are three methods of analytical job evaluation like point factor rating, then we have analytical job matching and also we have the factor comparison method. So, we will discuss each one separately the merits and demerits of each one separately and where it is used. So, let us begin with the point factor rating.

The basic assumptions of the point factor rating is the first job is broken down into factors. These factors are elements in the job like the knowledge, skills and the levels of responsibilities etcetera. It is assumed that each of the factor is important and contributes to job and is indeed a common part of all jobs to be evaluated. Means like not for
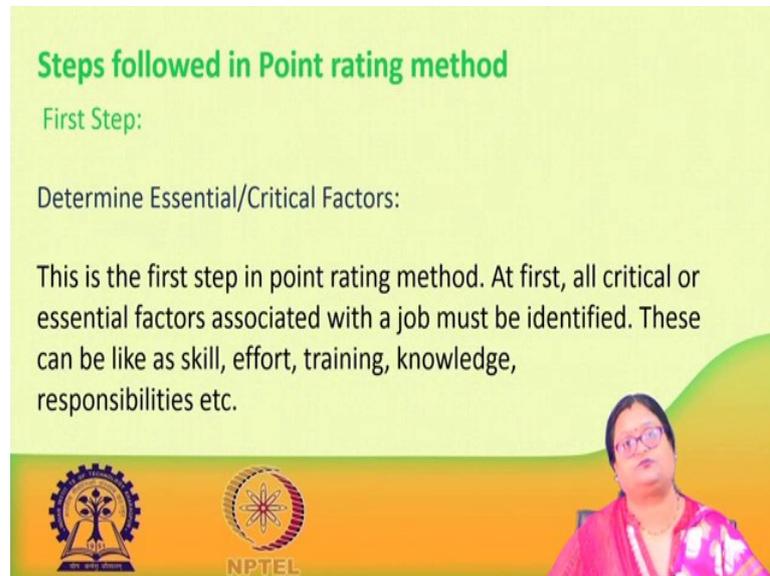
performing any kind of job knowledge is important skill is important and also the level of responsibility is important for any kind of job.

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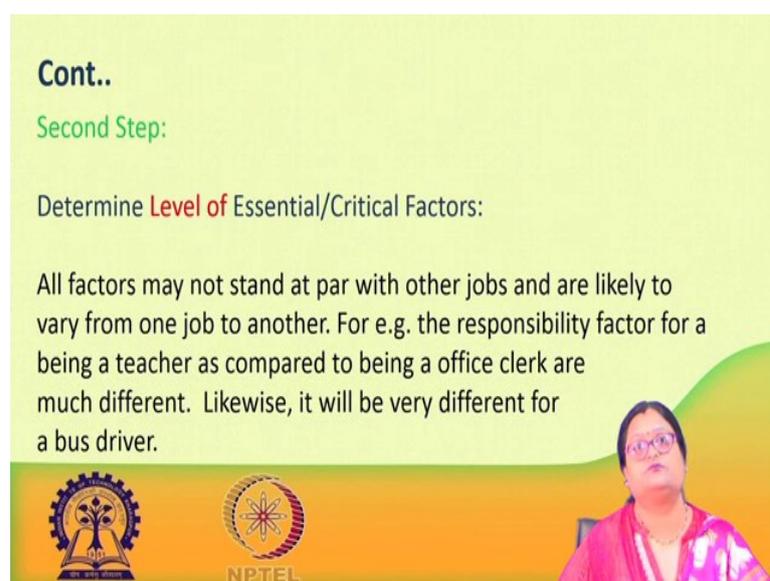So, how we do a point rating method is first step we determine the essential or the critical factors of a job. This is the first step in point rating method. At first all critical or essential factors associated with the job must be identified this can be like skill, effort, training, knowledge, responsibilities etcetera.

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Second step is to determine the level of essential or critical factors. All the factors may not stand at par with other jobs and are likely to vary from one job to another. This is where we call the proficiency level required in each factor. So, and we understand the basic factors required for performing any job could be same, but the intensity in what it is required.

The level at what it is required may vary from job to job and also may vary at different levels of a particular job. So, that is the second like step in understanding the point factor rating is to understand the level of essential or critical factors. And for example, the responsibility factor for being a teacher as compared to being an office clerk are much more, much different likewise it is very different for a bus driver.

So, this we have to take into consideration based on like how many employees or the who are your customers, how many people you are doing, what is the risk involvement in kind of your job, you can also see whether it is a boundary spanning rule or not how many interactions you are having with your customers. All these are going to determine like the responsibility level of you job all these are going to determine the responsibility level of your job.

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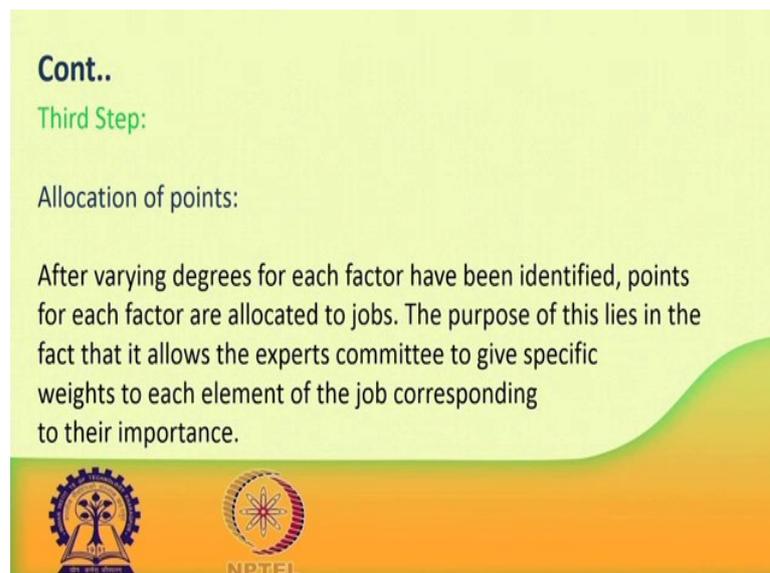
The third step is the allocation of points after varying degrees of each factor have been identified, points for each factor are allocated to jobs. The purpose of these lies in the

fact that it allows the expert committee to give specific weights to each elements of the job corresponding to their importance.

So, in the first step the factors are identified, in the second step now what is the level of that factor required for the particular job is done and in the third step points are given to it that is why the name is point factor method.

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Each factor is divided into hierarchy of levels, typically five to six and maximum point scores are evaluated which may vary depending upon the relative significance of the job.

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The fourth point that the fourth step is the summation of points. After points for each factor have been allocated by the experts committee overall points for each job are determined.

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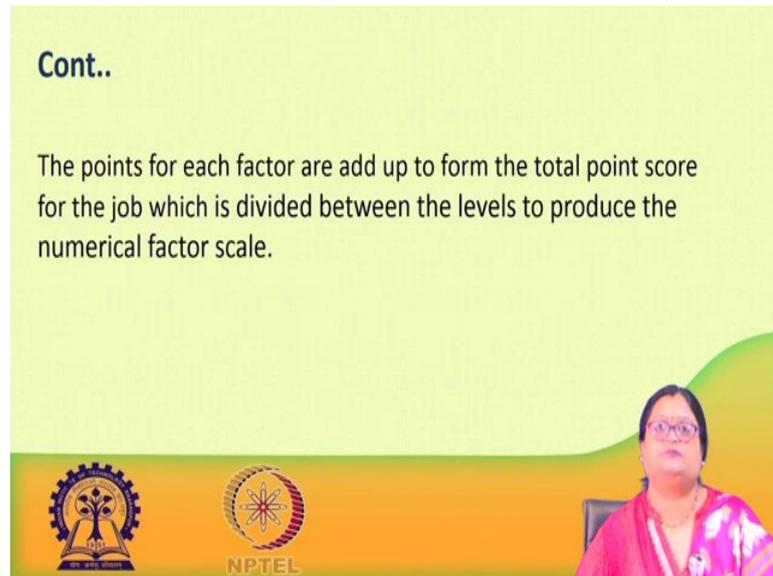
The points for each factors are added up to form the total point score for the job which is divided between the levels to produce the numerical factor scale.

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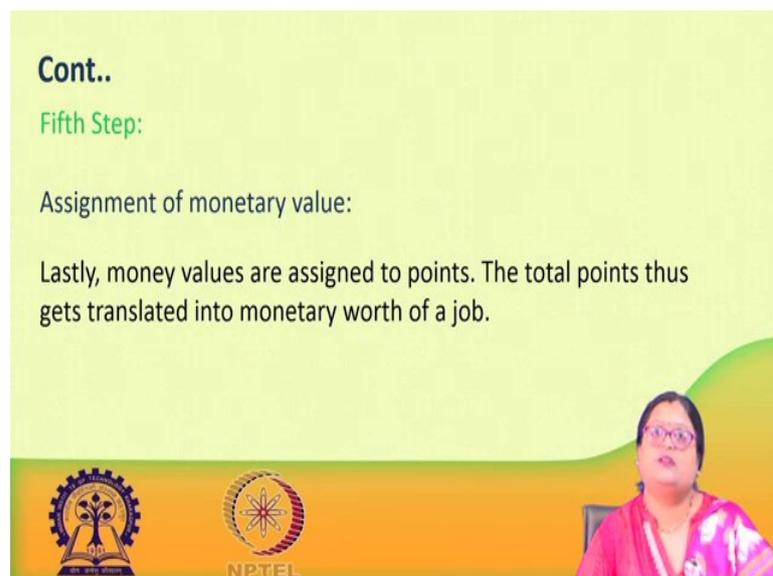
The fifth step is assignment of monetary values: lastly, the monetary values are assigned to points the total points that get translated into the monetary worth of the job.

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As point rating is one of the widely used method, it is very important that we discuss its merits and demerits.
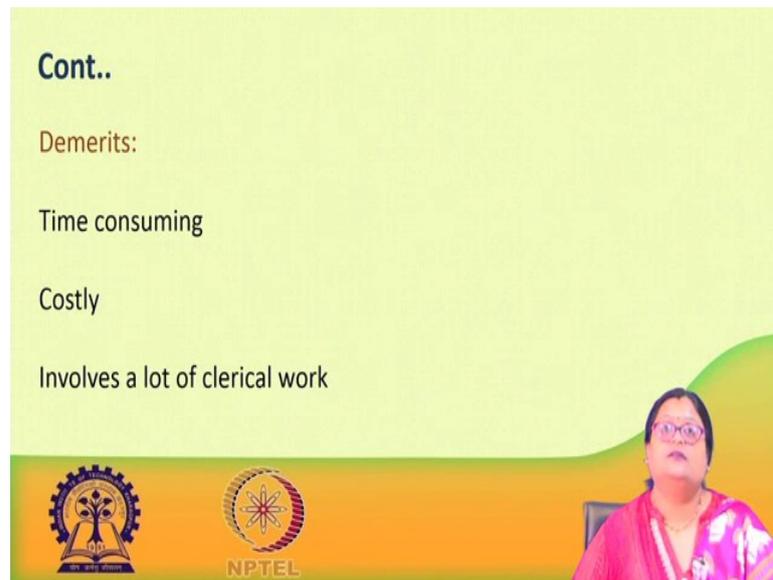
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The merits of the point rating method are it provides a reliable basis for placing jobs into various categories. It is a comprehensive method and it endorses accuracy, manipulations are minimized.

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But what are its demerits? It is very very time consuming and because it is like such a level of precision of understanding the different factors, then I am just giving finding out the different levels of it, then putting a points to it summing up those points its really time consuming; it's very costly and it involves a lot of clerical work to do all these documentation.

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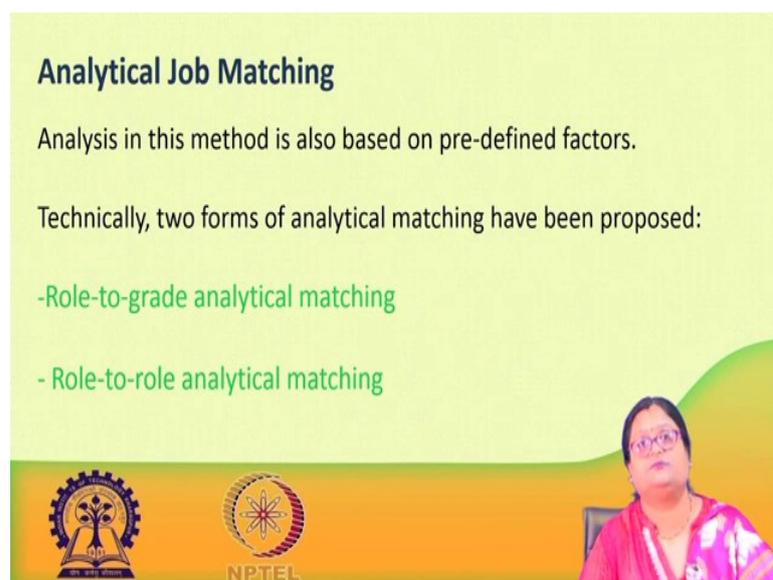
Next we will discuss about analytical job matching. So, the analysis on this method is also based on predetermined or predefined factors. Two forms are analytical matching

have been proposed like role to grade analytical matching, role to role analytical matching. Let us see what they are.

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When we talk of role two grade analytical matching, a comparison is made between profiles of roles to be evaluated and graded and evaluated and grade band or level profiles that have been analyze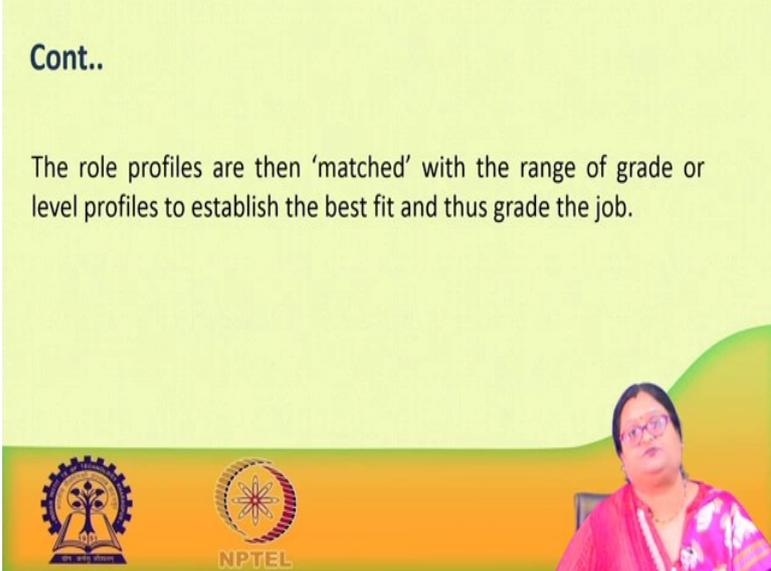d and described in terms of the same job evaluation factors. So, there are profiles of roles which are there and if there is a already established grade band or levels of profiles that has already been analyzed and described in terms of the similar job evaluation factors.
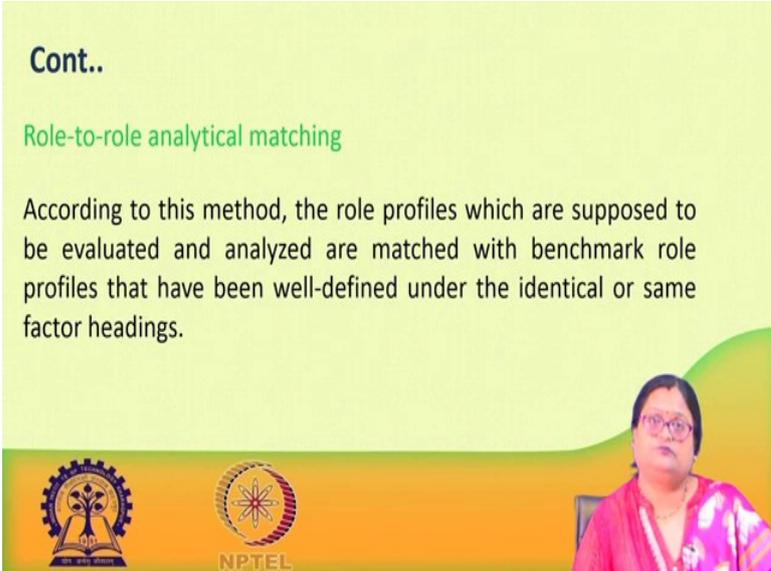
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The role profiles are then matched with the range or grade or level profiles to establish the best fit and thus grade the job.

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When we talk of role to role analytical matching; according to this method the role profiles which are supposed to be evaluated and analyzed are matched with the benchmark role profiles that have been well defined under identical or similar factor headings.
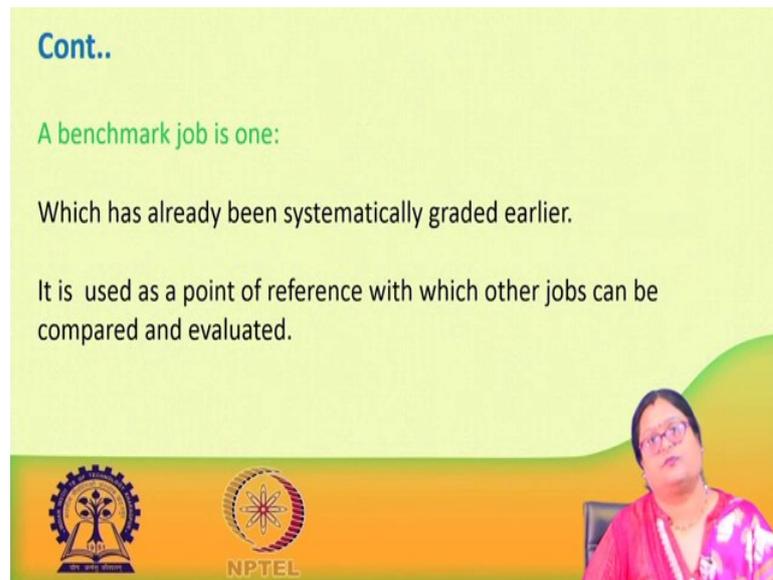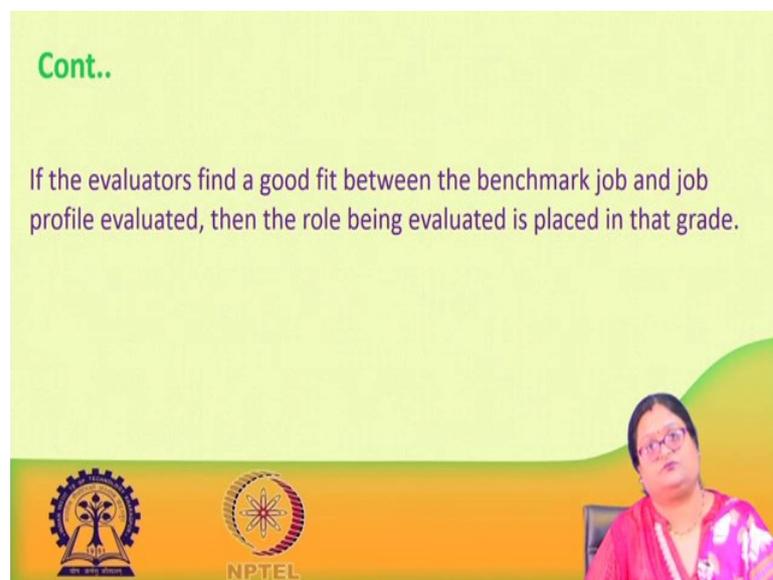
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Now, what is a benchmark job? It is a one which has already been systematically graded earlier it is used as a point of reference with which other jobs can be compared and evaluated.
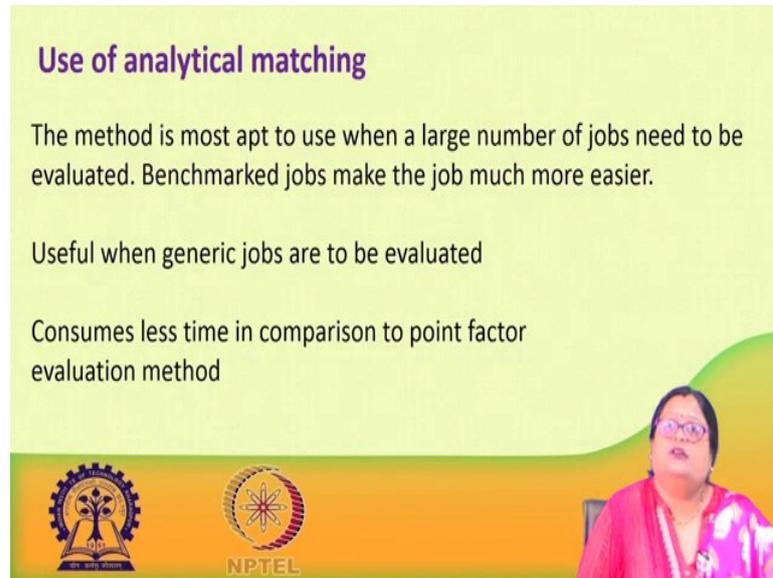
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If the evaluators get a good fit between the benchmark job and the job profile evaluated, then the role being evaluated is placed in that grade.

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Use of analytical matching; so, we have to understand like when the when we use this analytical method is when we are going for our new job profile; maybe and we need to place it in a particular job grade. So, and when it is a large number of jobs which needs to be evaluated so, in that case the benchmark job makes the job easier when it is a generic job needs to be evaluated the grade job of similar nature needs to be evaluated and of course, it is like the consumes less time in comparison to point factor evaluation method. So, these are some of the advantages and uses.
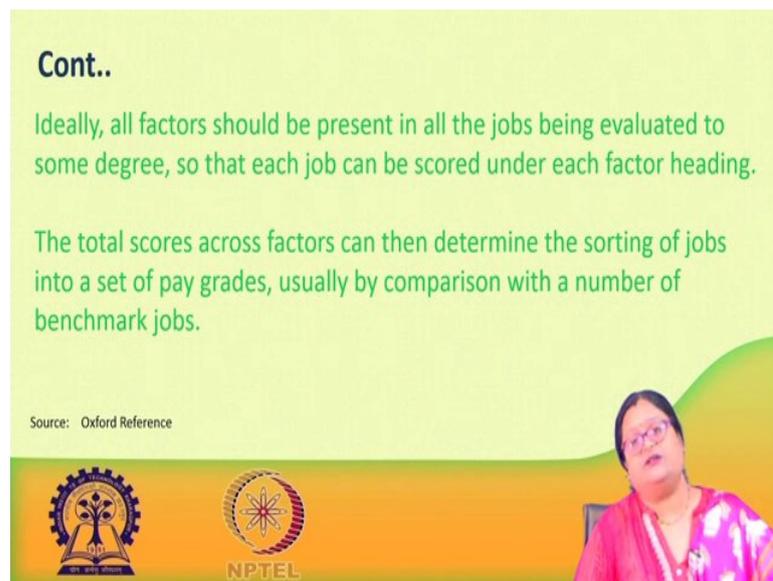
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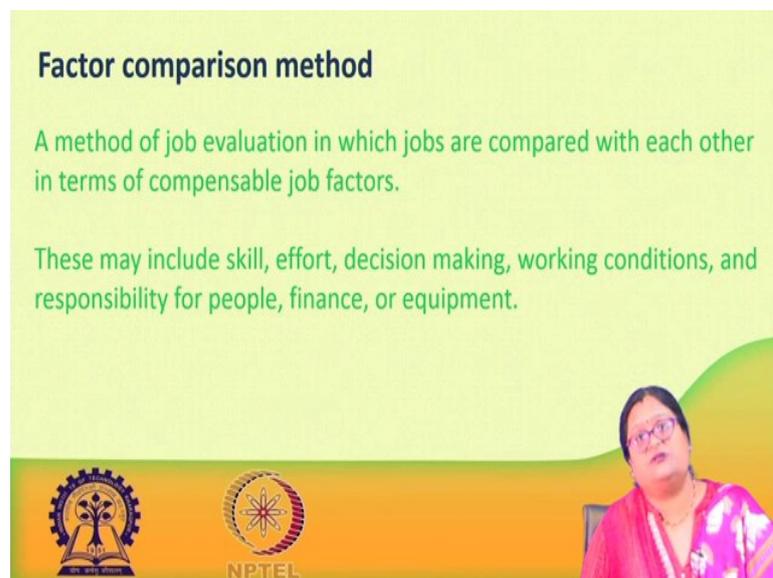
We have a next analytical method which we talk of factor comparison method. In factor comparison methods, each job is compared to each other in terms of compensable job factors. Compensable job factors include skill ,effort, decision making working conditions and responsibility for people finance or equipment.

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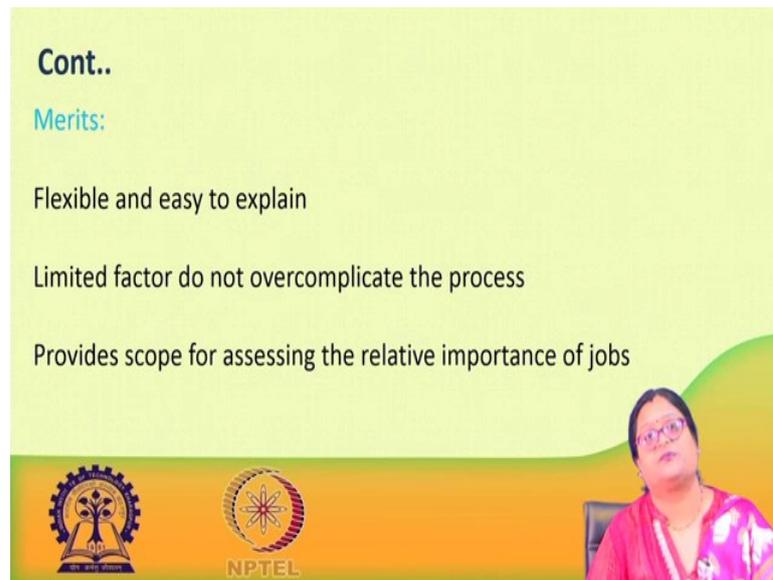Ideally all job factors are present in all jobs being evaluated to some degree so, that each job can be scored under each factor heading. The total scores across factors can then be determine the sorting of jobs into a set of pay grades usually by comparison with a number of benchmark jobs.
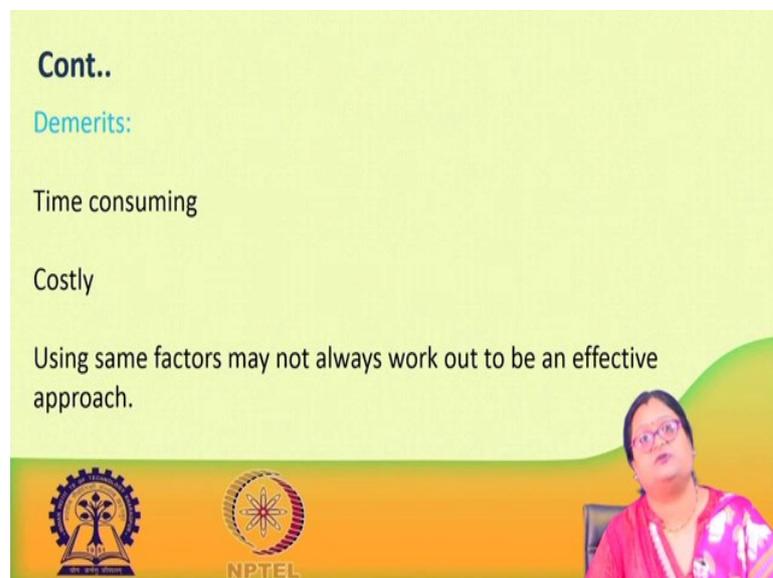
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The merits are it is flexible and easy to explain, limited factors do not over complicate the process and provide scope for assessing the relative importance of the jobs.

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Demerits are again it is time consuming, costly and using the same factors may not work out to be an effective approach. So, of all the three methods that we find over here like the point method is the most detailed method, but again it is time consuming, costly. So, fact and when you talk of analytical matching method it tries to do job to role matching or role to role matching and when we talk of factor comparison method, it compares jobs

with respect to the different factors and try to like hierarchically arrange it and then give the important job worth to it.

So, it is less cumbersome than the point method, but it is also costly in terms of the time taken and also the involvement of people and like that when you talk of the same factors again and again it may not be an effective approach also.

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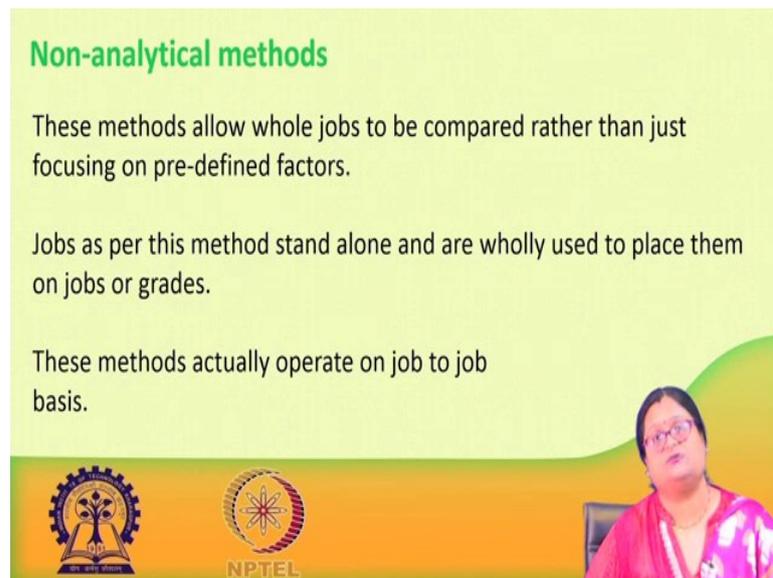
We have non analytical methods also where we have the focus is on like instead of just doing it on the pre determined factors, these methods try to compare a whole job with the whole job. So, and they are what is what we are is done over here jobs as per this method stand alone and they are wholly used to place them on jobs or grades. So, these methods actually operate on one job compared to the other job.

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The main analytical methods that we have are job ranking, job classification, paired comparison, internal benchmarking. These are the main non analytical methods that we have.

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Job ranking this is one of the most primitive methods. It involves comparing jobs with one another and ranking them in order of their perceived importance. Jobs are here placed in hierarchy in terms of their perceived importance to their organization and we have to understand this perception is not based on any scientific methods or analytical

methods as we understand like in point comparison or factor comparison, it is just based on the expert's understanding of the importance of the job with respect to other jobs in the organization and with respect to the goals of the organization.
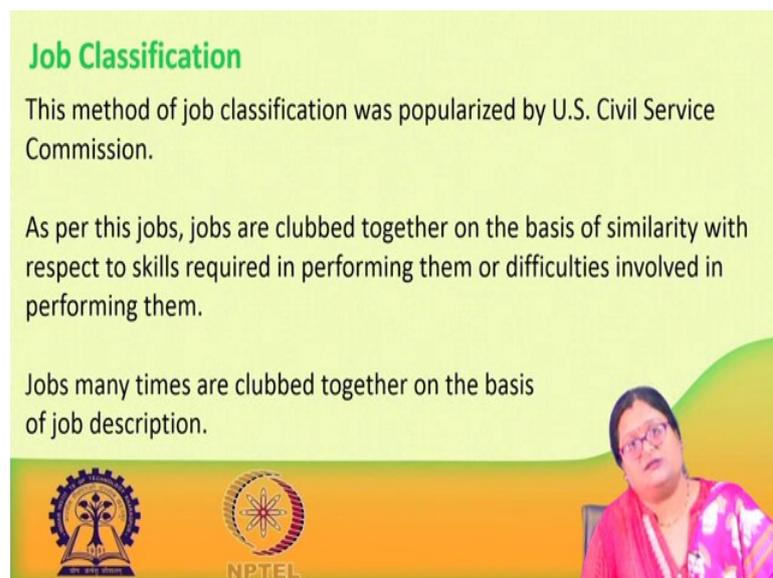
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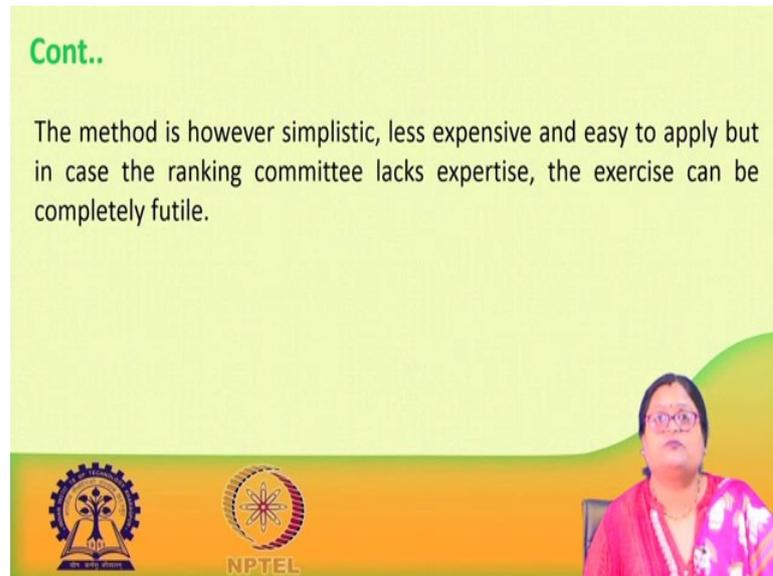
This is simple method, less expensive and easy to apply. But if the ranking committee lacks expertise, this can be a very futile exercise.

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Job classification : This method was popularized by U.S. Civil Service Commission.As per this jobs are clubbed together on the basis of similarity with respect to skills required

in performing them or difficulties involved in performing them. Jobs many times are clubbed together based on job description. So, you will see like some sense of factor method is also there.

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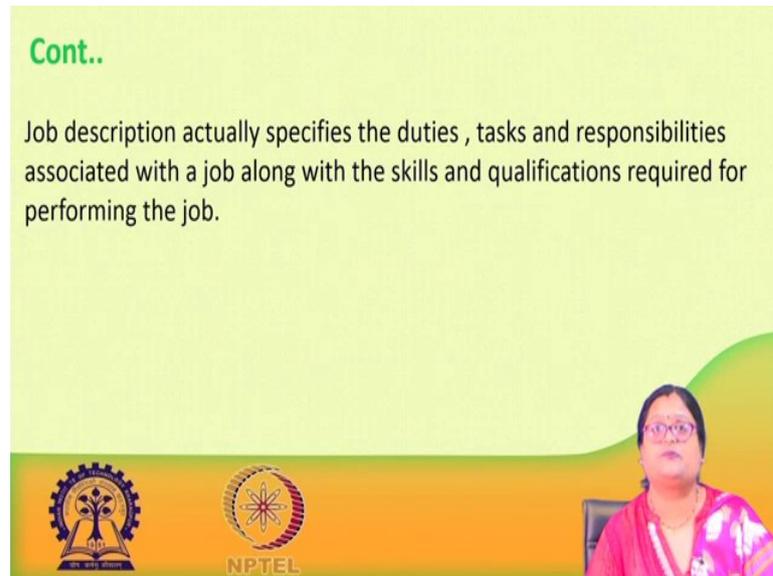
Job description actually specifies the duties, tasks and responsibilities associated with the job along with the skills and qualifications required for the performing the job. So, in factor method also we try to look into the skills knowledge responsibilities risk taking abilities job conditions. So, that also was drawn from factor and like when you are talking about description; in factor analysis, it was more analytical in nature, this is my perception seeing the overall nature of the job, how do we classify jobs together and clubs job together.

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So, again it though it is very simple method, it may suffer from personal bias of the evaluators and is rigid. So, it may not be suitable for complex jobs.

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Paired comparison ranking is considered as the most sophisticated of the job evaluation method which are there in non analytical category. In the method, it assumes it is rather much easier to compare one job with the another and take a lot at once at ranking them.

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In this the technique requires that the comparison of each job as a whole separately with every other job. If a job is considered to be of a higher value than the one with which it has been compared, it receives two points. If it is thought to be equally important, it receives one point. If it is regarded as less important, no points are awarded. The scores are added for each job and the rank orders are then obtained.

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The merits and demerits for this like it is easy to compare one job with another does not require multiple comparisons, but because no standard rules are followed; there can be

judgment bias like differences in the levels of experts agreement also. I may think one job is better than the other one more important than the other one another expert may think in a different way. So, and it may not be suitable where lots of jobs need to be compared with each other.

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Internal benchmarking, here a job under review is compared with a job which has already been benchmarked within the organization. In case a good fit is observed the job is placed in the same grade the comparison is made under whole job basis. It again you find it as essense from analytically matching method, the difference is there it was compared factor to factor with respect to each job. Here we are comparing the whole job together, but the same background the essence is same.

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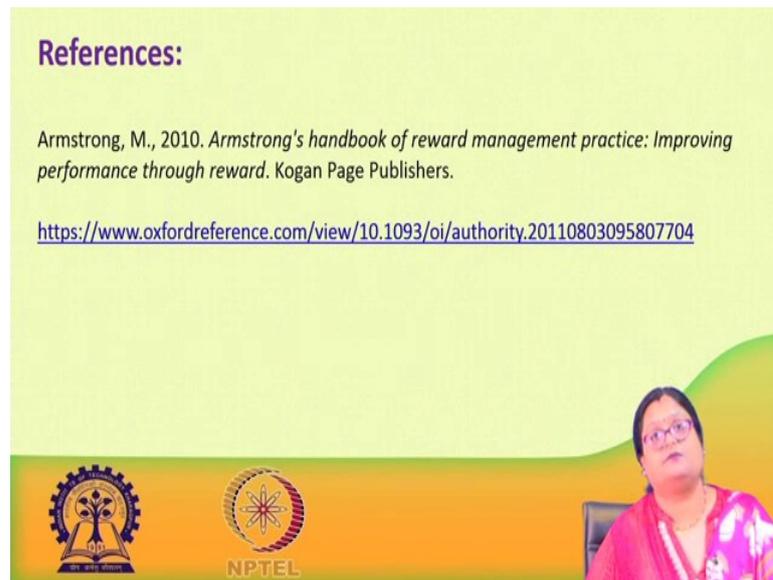
These are the references that we have for this slide in the next section also we will continue more on these discussions.

Thank you.