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# How to Conduct a **Job Evaluation**



Use this learning aid as a resource for employees to effectively develop, introduce or update job evaluations.

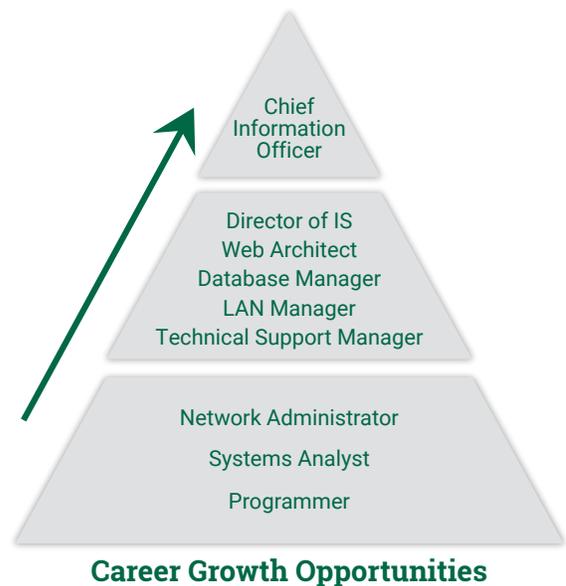
## WHY AND HOW WOULD YOU WANT TO DEVELOP JOB EVALUATIONS?

With the global war for talent, a key differentiator for employers is offering career growth opportunities. Accordingly, a systematic job evaluation becomes an essential part of the employer value proposition. Understanding the knowledge, skills, abilities and behaviors needed to perform the job responsibilities of a promotional opportunity with their current employer can be a powerful motivator for employees and creates a clear line of sight for career growth.

## DID YOU KNOW...

Opportunities for continuous learning and career advancement can be a competitive advantage for an employer to attract, motivate and retain employees.

Having a job evaluation approach that is easily understood and systematic is essential to communicating or explaining the requirements for career growth in your organization. As a result, job evaluation systems are becoming more intuitive.



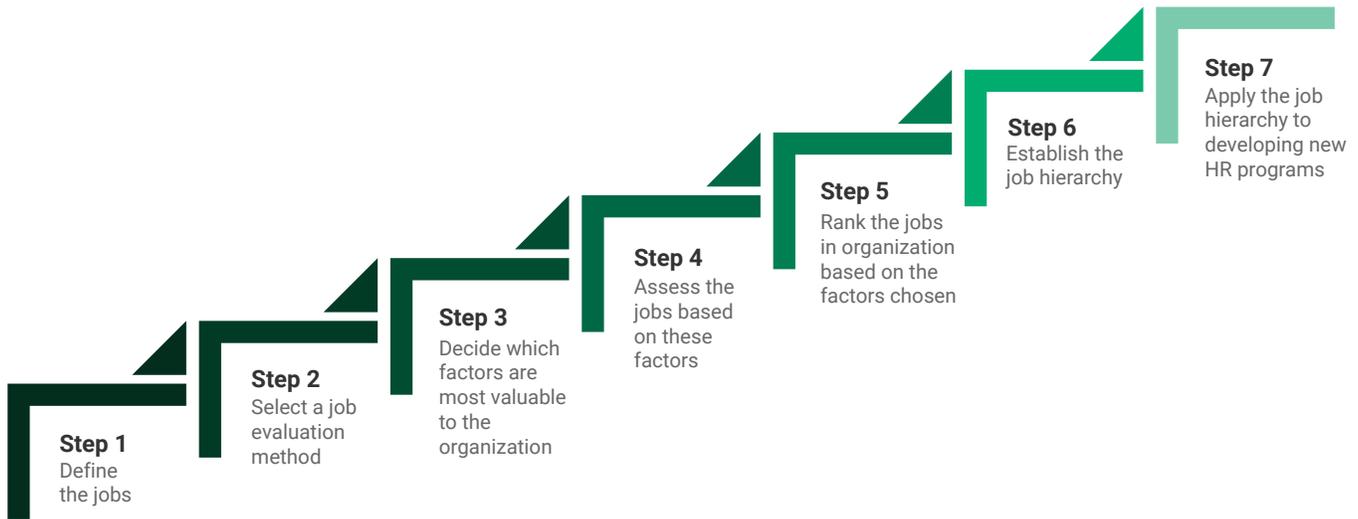
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# THE BASIC STEPS FOR DEVELOPING A JOB EVALUATION IN YOUR ORGANIZATION:



## STEP 1: Define the jobs

The process of defining a job is called **job analysis**. The information obtained in job analysis is recorded in the precise language of a job description.

### Job Analysis:

- Collect information on job content
- Focus on what workers must do to perform successfully

## STEP 2: Select a job evaluation method

There are several job evaluation methods from which to select. The most prevalent one, the **Point Factor Plan**, uses a quantitative approach that will be explained in this guide. With this method, you can compare jobs by using rating scales based upon several specific factors. The scores given for each factor are added to obtain a point total for a job.

To construct a carefully worded rating scale for each factor, be sure to include:

- Several divisions called degrees (also carefully defined)
- A point score for each degree

### STEP 3: Decide which factors are most valuable to the organization

To implement the Point Factor method, identify which factors make one job more valuable to the organization than another. These factors are the yardsticks used to determine the relative position of jobs in the organization hierarchy and let employees know which contributions are rewarded.



### STEP 4: Assess the jobs based on the factors

Once the factors have been defined, each job is assessed based on these factors. Here is an example of a factor:

<b>Factor: Analytical Abilities</b>		
<b>Gather and interpret data and find solutions to difficult and complex problems</b>		
<b>Definition</b>	<b>Degree</b>	<b>Points</b>
None or little analytical ability	1	5
Some analytical ability to gather and interpret data for simple problems	2	10
Analytical ability to gather and interpret data for complex problems	3	15
High level analytical ability required to find solutions to difficult problems	4	20
Expert-level analytical ability required to gather and interpret data and find solutions to unique difficult problems	5	25

## STEP 5: Rank the jobs in the organization based upon the factors chosen

Jobs with the most points should be ranked higher than those with fewer points (once the jobs are assigned factors using a numerical scale). This step is the heart of the job evaluation process. When rigor and a systematic approach are used for job evaluations, this ranking is completed with ease as well as certainty.

## STEP 6: Establish a job hierarchy

- Choose a cross-functional team to validate the job ranking assignments
- Research and record the decisions
- Set up the job hierarchy

## STEP 7: Apply job hierarchy to developing new HR programs

**Once a job hierarchy is established there are many uses:**

- Salary Structures for job grade and pay range assignment
- Performance standards for jobs
- Training and development of job families
- Career development ladders and paths

**Evaluating jobs involves a good deal of judgment. Here are some best practices to consider when introducing or developing a job evaluation system:**



## NEXT STEPS

Organizations are competing to attract, motivate and retain talent in different labor markets that cut across geographic areas and industries. One way to differentiate your organization is to offer continuous learning and career growth opportunities. Introduce (or update) a systematic and intuitive job evaluation program that can aid in communicating and establishing career development plans. Use this guide as a framework to get started.

ERI Economic Research Institute's [Occupational Assessor](#)<sup>®</sup> and [Salary Assessor](#)<sup>®</sup> applications offer you the tools to establish a credible job evaluation program. The Occupational Assessor gives subscribers access to the most comprehensive benchmark job description library for all job families, which can be the basis for developing enterprise-wide job evaluations. The Salary Assessor provides the most robust compensation benchmarking data available.

With its Assessor Series software solutions, ERI Economic Research Institute provides organizations with tools to implement a rigorous and credible job analysis and market pricing compensation system. For more information about ERI's products, to try a free demo, request a quote or to schedule a personal guided tour, please contact us at [sales@erieri.com](mailto:sales@erieri.com), call us Toll-Free in the U.S. and Canada at 800-627-3697 or visit [www.erieri.com](http://www.erieri.com).

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