

THE HAY GUIDE CHART AND PROFILE METHOD OF JOB EVALUATION

Job evaluation is about the relative size of jobs. It establishes the relative importance of jobs to the organisation and the relative difficulty of jobs to the job holders. It is a process which involves the exercise of judgement in identifying and assessing differences in value between jobs. It is not directly concerned with people, their performance, or pay - only with the size of jobs in relation to other jobs.

Jobs cannot be measured scientifically. Evaluations will always be judgements, just as most significant organisational decisions must be judgements. However, judgements can be disciplined within a systematic framework which facilitates consistency and fairness through treating all jobs on a common yardstick. It would not be equitable to measure one job according to one set of criteria and another by a totally different set. Job evaluation permits different jobs to be assessed in a consistent way by applying a common framework for judgement.

Evaluation Rules

Five ground rules apply to the evaluation of jobs:

- (1) It is jobs which are evaluation not job holders.
- (2) The evaluation is based on a fully acceptable level of performance by occupants of the job.
- (3) The job is evaluated as it exists today.

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- (4) Present pay, status or grading are not relevant.
- (5) Jobs can only be evaluated if they are understood.

Constituents of the Process

The job evaluation process consists of the following stages:

- (1) Developing job understanding
- (2) Making judgements
- (3) Using a common method to facilitate consistency of judgement
- (4) Checking the judgements
- (5) Reviewing the total process
- (6) Proper recording of evaluations

The HAY Guide Chart and Profile Method of Job Evaluation

The aim of the HAY method is to bring consistent criteria to bear in establishing the relative worth of different jobs to an organisation. Consistency implies using the same elements against which to measure all jobs, however much the jobs differ.

In all types of organisation we have found that the value of jobs depend on a number of common elements:

- * KNOW-HOW - The knowledge, skills and experience required for fully acceptable job performance.
- * PROBLEM SOLVING - The span, complexity, and level of analytical, evaluative and innovative thought required in the job - expressed as a utilisation of Know-How.
- * ACCOUNTABILITY - The discretion given to the job holder either to direct or to influence or determine the course of events, and his/her answerability for the consequences of his/her decisions and actions.

Guide Charts

These three common elements are judged using a separate guide chart for each. The guide charts are further subdivided into a number of factors and are designed as grids on which there is a numerical scale. Jobs are located on the grid by selecting the definitions which are most appropriate to the job under consideration. The intersect indicates a points or job units score for that element of the job. The total score is adduced by adding the three separate scores from each chart.

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The Numerical Scale

A numerical scale is used to record the judgements made on each of the common elements, because simple ranking of jobs gives no indication of the distance between them (nor any basis for comparison with other organisations). The relationship between the elements on the three scales and the numbering pattern is empirical and has been found to hold good over many years across many different organisations, both private and public. The guide charts are thus designed to cover all types of organisations.

The Step Difference

The scales referred to above are geometric ones, because they are based on the 'step difference concept', defined as the minimum difference that well-informed and experienced judges can discern between jobs when compared in job element terms. The step difference is the essential building-block of the method, and thus the basis of the job evaluation scale. It is based on the fact that the ability to discern a difference, or to be more exact the size of the difference, is proportionate to the size of the two things (in this case jobs) which are being compared, and the step difference must, therefore, always be the same in percentage terms. The step difference which has produced the most consistent and sensible results is 15%; this is common to all applications of the Guide Chart Profile Method.

Profile

Jobs have shape as well as size and the shape or 'profile' of a post is important in three ways:

- * it serves as an independent check on the validity and reliability of the judgements about job size;
- * it described the nature of the contribution expected from a job by the organisation; whether the job is predominantly Problem Solving or Accountability orientated in emphasis; and
- * in helping to establish a proper match or 'best fit' between people and jobs.

A well balanced organisation will need a combination of Problem Solving orientated and Accountability orientated jobs to fulfil its purpose.

GLOSSARY OF TERMS

- Average - the sum of a set of data divided by the number of cases in the set
- Average Line
(Practice Line) - this is the line of "best fit" or central tendency that represents the relationship between job size and pay, for a set of related position
- Base Salary - annual take home pay which is made up of regular monthly salary times number of contracted months per annum plus regular overtime pay, but excludes all allowances or variable bonuses and commission
- Benchmark - a series of jobs selected, based on hierachical and functional differentiations, that represent the overall organisational compensation practice
- Civil Service
Practice Line - see average line above but applied to a selection of related civil service positions
- First Quartile
(or lower quartile) - a "position" measure, derived by rank ordering all cases of a set of data and selecting the demarcation line that divides the population into the bottom 25% from the remaining 75%

- Histogram - a graphical presentation of numerical data

- Job Evaluation - the methodology to determine relative size of a given job by using the Hay Guide Chart-Profile method. This method measures common elements found in every job, namely Know How, Problem Solving and Accountability

- Job Scores - the results of the job evaluation process expressed in Hay job units or Hay points

- Job Family - a group of jobs which are similar in functional principle, nature or practice

- Market Chart (Comparator Chart) - a diagrammatic representation of the remuneration practices of a sample of companies

- Market Line - the average remuneration practice of a sample of companies as shown on a market chart (above)

- Range of Hay Points - the minimum and maximum job scores (see above) covering a sample of evaluated positions

- Scattergram - the distribution of data in raw format. For example by plotting the pay for each job holder in a sample against the relevant job scores we generate a scattergram

- Third Quartile
(or upper quartile) - a "position" measure derived by rank ordering all cases of a set of data and selecting the demarcation line that divides the population into the top 25% from the remaining 75%
- Total Compensation - the sum of annual base salary, retirement payments, special allowances, commissions, and the evaluated or job related cash value of fringe benefits as derived by the methodology laid out in the Standing Commission Report No 16
- Variable Cash Payments - payments that are made to an employee for special duties, bonuses, commissions or other not contractual payments
- Weighted Average Hours - the average of the hours worked by a sample of employees derived by summing the actual hours worked by one group multiplied by the size of the group and then dividing the answer by the total sample size