

JOB EVALUATION

WHILE DEFINING JOB ROLES AND PAY RATES SOUNDS SIMPLE ENOUGH, FOR MANY COMPANIES, THIS PROCESS CAN ACTUALLY BE INCREDIBLY COMPLEX AND TIME-CONSUMING.

A job evaluation is an analysis of the various jobs performed in a company that systematically determines the relative importance of each. The goal of the evaluation is to have a uniform, fair and objective method for evaluating pay and performance. HR departments often look to expert consultants to provide an outside, objective view and do the leg work to create a compliant, analytical scheme.

WHAT'S IN IT FOR US?

Job evaluation establishes a basis for all stakeholders (including management, employees and trade unions) to agree on the relative value of jobs to form the basis of career structures within the organisation and to establish a fair pay system. The need for restructuring following a merger is a common reason for carrying out job evaluation, as it can provide a logical underpinning to the eventual introduction of a single pay and grading structure.

You might also consider using job evaluation if you have issues such as real or perceived anomalies in the pay system or pay structure, pay grievances, or changes in job content that need to be managed such as those due to technological change or organisational restructure. Job evaluation is also the most reliable way for employers to identify where women and men are doing work of equal value, for equal pay purposes.

HOW DO I KNOW IF I NEED JOB EVALUATION?

■ Recent organisational changes

Is your organisation growing quickly? Has it recently undergone a merger or acquisition? Have you got the right balance of male and female staff? It may be prudent to review job roles and pay grades to ensure consistency, as well as provide some protection against equal pay claims.

■ Confusion over responsibilities and training

Have the day-to-day realities of job roles evolved, but formal job titles and descriptions not changed to match? Are managers unclear about the training required for those on their team? This uncertainty may be systematic of unclear job descriptions, responsibilities and career paths.

■ Employee dissatisfaction and retention issues

Do you have a challenge recruiting and retaining employees for certain job roles due to pay offered? Or have employees raised issues about compensation? A job evaluation can provide transparency and rationale for employees as well as providing HR with effective tools during negotiations.

■ Too many job roles and grades

Is there a unique job title and grade for seemingly every individual within the company? That can be a recipe for disaster when it comes to justifying pay and rewards. Providing some harmonisation across the company – and ensuring your scheme is in line with industry standards – is crucial to employment law compliance.

■ Potential inequalities

Can you systematically demonstrate that individuals receive the same rate of pay for the same work? If you can't, or you're unsure, action may be needed. With a rising trend in equal pay claims, organisations with the most robust documentation of job roles and rates based on analytical measurements and determinations will be best positioned to fight these claims.