

JOB ANALYSIS AND JOB EVALUATION HANDBOOK

A Strategic Human Resource Management Process

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Mary Rose L. Gob

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INTRODUCTION

An effectively conducted job evaluation will benefit both the management and the employees of an organization. Thus job evaluation has an impact on the entire organization. It is a strategy used to improve organizational efficiency. A properly done job evaluation will enable managers to understand better what to expect from their team members as well as conduct better monitoring and evaluation of their performances.

Many get confused between job evaluation and performance evaluation or performance appraisal, which are two of the many interventions to improve an organization. But there should not be any confusion because there are big differences between the two interventions, as seen in Table 1.

TABLE 1: Differences between job evaluation and performance evaluation or performance appraisal

JOB EVALUATION	PERFORMANCE EVALUATION or PERFORMANCE APPRAISAL
<ul style="list-style-type: none">• Focus: Determines the value or worth of a job/position compared to other job functions/positions within an organization• Does not take into account the ability of an employee to meet performance target for the job, but it determines what are the competencies or skills required to perform the job	<ul style="list-style-type: none">• Focus: Evaluates how an employee is able to meet the standards set for a specific job function, thus giving more emphasis on that employee's performance of his/her job
<ul style="list-style-type: none">• Identifies the criteria to: measure employees' efficiency, ascertain the jobs that are highly technical, and determine the salary that is equated to the complexity of the job requirements	<ul style="list-style-type: none">• Determines who among the employees are: in need of training, ready for promotion, and qualified to receive merit-based salary increases

• Enables an existing employee occupying a position to contribute in clarifying the scope of his/her job function. Also, because the employee is actually performing the job, he/she can give a more valid input to determining the job's level of difficulty or accountability. This way, the compensation package that is equitable to the complexity of the job function will be determined.

• Serves as venue for an immediate superior and an employee to discuss his/her strengths and areas for improvement. The giving of feedback enables the employee to improve his or her efficiency.

All told, a properly done job evaluation helps in aligning compensation packages to the market value of the job, and provides accurate job specifications that are constantly used as reference for recruitment. It will then be easier to determine the right fit among candidates for a specific job. Job evaluation is also the process used in preparing job descriptions, job specifications, job levels, and wage determinant or salary structure for an organization.

This "Job Analysis and Job Evaluation Handbook" is for co-ops. Co-ops can use this Handbook as pocket reference for the human resource department, and also for developing policies for job evaluation.

As this Handbook contains information on the job evaluation process and how to apply the process, it will guide co-ops in determining the right type of job evaluation that is based on the size of the organization. The Handbook also contains job analysis and job evaluation tools with easy-to-understand usage instructions.

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JOB ANALYSIS AND JOB EVALUATION – SIMILARITIES AND DIFFERENCES

The Introduction of this Handbook presented the differences between job evaluation and performance evaluation or performance appraisal, which are among the interventions to improve an organization. We will now leave the subject of performance evaluation because it is an altogether different intervention compared to job evaluation. We will now take up job analysis, which is the next terminology to be encountered in discussing job evaluation. As some people get confused between job evaluation and performance evaluation, many are also confused between job evaluation and job analysis. Let us go to the similarities and differences between job evaluation and job analysis as two interventions or approaches to improving an organization, and also the processes involved in the two interventions.

SIMILARITIES

Job evaluation is a process—to determine different factors to weigh the importance of a job to the business. Job analysis is also a process—to gather information or data that pertains to the dimensions of a specific job. Job evaluation and job analysis are both important functions of the human resource (HR) department so as to determine the characteristics of a job.

DIFFERENCES

Job evaluation and job analysis differ in scope or coverage, and expected output. Job evaluation is broader than job analysis in determining the value or worth of a job as it looks into the job's requirements; difficulty level; and accountabilities or responsibilities; and also the competencies or skills level needed for the job.

When conducting job evaluation, a specific job needs to be compared to other positions or jobs within the organization. Meanwhile, in doing job analysis, information is gathered to identify the job's requirements, such as the needed educational level and the complexity of its functions, among other requirements of the job. Job analysis is part of the activities of job evaluation.

Job evaluation is used to design a compensation package and to serve as reference to develop criteria for performance appraisal. Job analysis is used to design job descriptions.

Job evaluation ensures that the person occupying a job receives fair wage for the job that she/he is doing, and to see if the job levels for the position are competitive compared to the market, particularly for highly technical positions or jobs where demand is high (e.g., accounting, information technology [IT]). Job analysis determines whether the activities of a specific position are in conflict with the activities of another job, and also ensures that internal control is not sacrificed.

Table 2 provides an even better illustration of the differences between job analysis and job evaluation.

TABLE 2: Differences between job analysis and job evaluation ⁱ

Basis for Comparison	Job Analysis	Job Evaluation
Definition	A thorough study or inventory of every aspect or factors of a specific job in an organization (or the co-op)	The endeavor of reviewing the value of a specific job in an organization (or the co-op)
Nature of Process	Comprehensive/thorough	Benchmarking/relative
Objective	To design job specifications and descriptions	To develop fair-wage structure
Methodology	Questionnaire, checklist, interview, surveys, observation <i>(for the</i>	Ranking, classification, or factor analysis

	<i>purposes of this Handbook, we will use questionnaire)</i>	
Advantage	Use for recruitment and selection, performance appraisal, compensation, etc.	Use for job leveling, salary structuring, performance appraisal, etc.

Whenever movements or changes occur in the organizational structure, the HR department needs to conduct job evaluation. Changes in the market or other industries must also be monitored, and job evaluation is used to align jobs with the market demand.

Whenever new positions are created inside the organization, job analysis is utilized to prepare the job description and to determine the requirements for the purpose of recruitment.

Having explained the differences between job analysis and job evaluation, we will now tackle the step-by-step processes in job analysis and job evaluation. Job analysis will be also further discussed when we come to the step of developing job descriptions and understanding the complexity of a specific job function.

GIST BOX



Job analysis is the initial step in conducting job evaluation. It is necessary that you first understand the components of a job function prior to doing recruitment, selection, and salary determination.

Job evaluation is not performance evaluation. Whereas job evaluation evaluates the value of a function, performance evaluation determines how well an employee carries out his/her tasks.