

# Job Evaluation Research

*Strategic Compensation Conference 2001*

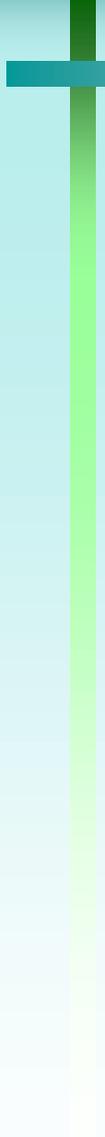


**United States  
Office of  
Personnel  
Management**

**Workforce  
Compensation  
and Performance  
Service**

# Job Evaluation

- Development of Federal Job Evaluation
- Strategic Issues Surrounding Job Evaluation
- Alternative Methods of Job Evaluation
- Alternative Methods in Federal Agencies
- Literature Review
- Thought Leader Perspectives



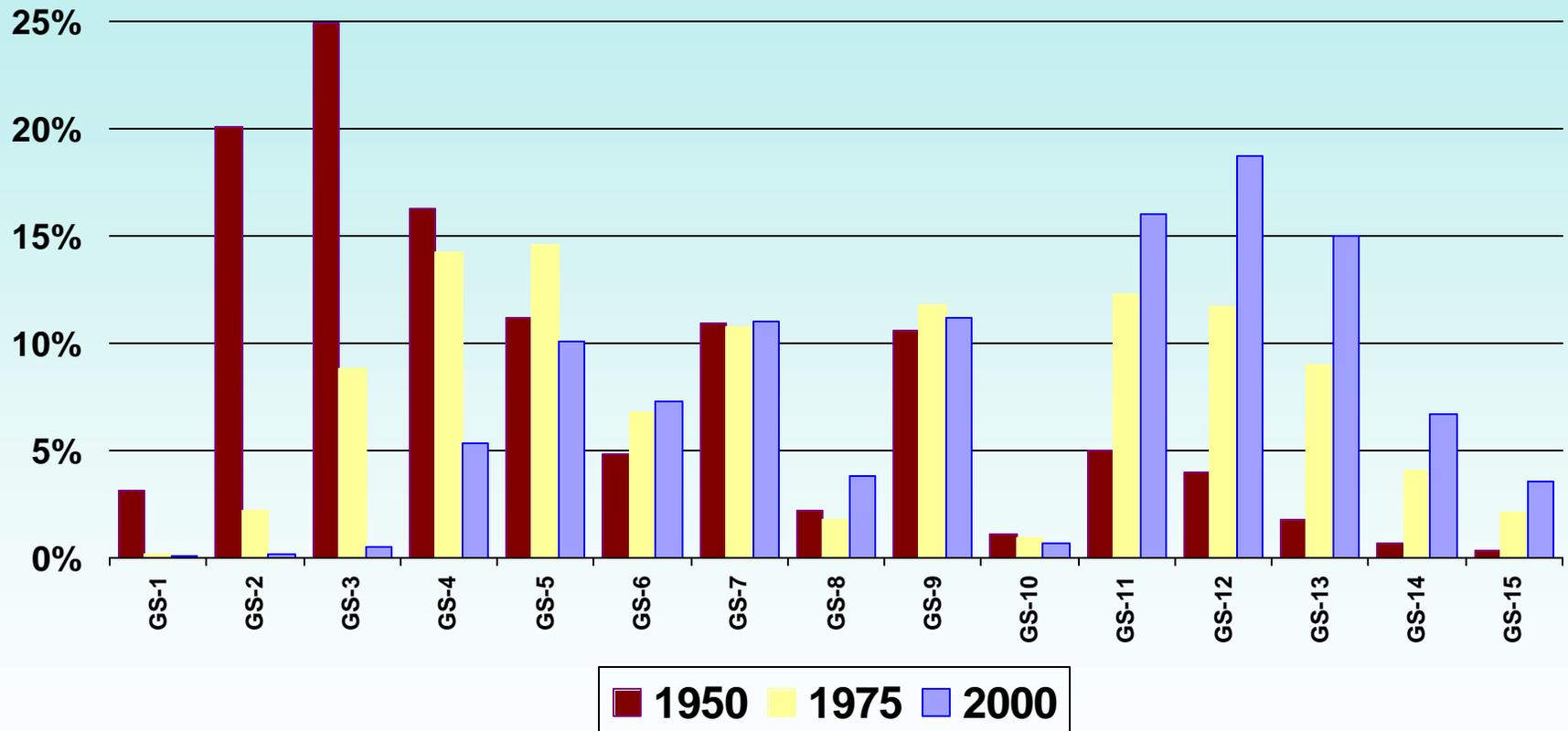
# Job Evaluation

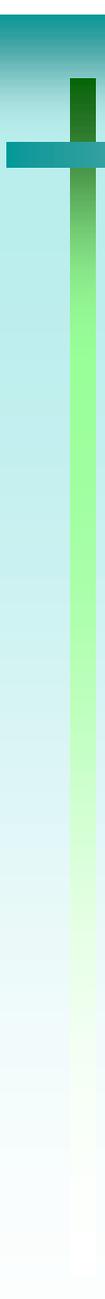
Development of Federal Job Evaluation

# Federal Job Evaluation

- Historical Development
- Goals of the General Schedule
- Structural Changes in the Federal Workforce

# The Evolving General Schedule Workforce





# Job Evaluation

## Strategic Issues Surrounding Job Evaluation

# Strategic Issues and Alternative Courses of Action

## Issues

1. Should job evaluation be used to determine pay?
2. What is work evaluation?
3. Should there be one work evaluation system or multiple work evaluation systems?
4. Should work evaluation focus on the person or the job?

## Alternative Actions

1. Keep vs. Abolish
2. Job vs. Work
3. Single vs. Multiple vs. Mass Customization
4. Person or Job vs. Team vs. All

# Strategic Issues and Alternative Courses of Action

## Issues

5. Should the work evaluation system be centralized or decentralized?
6. Should work evaluation systems be manual or automated?
7. Who should conduct the work evaluations?
8. Should the work evaluation be based on the current job and job incumbent or be based on the way the work should be designed and the type of person that should be performing the work?

## Alternative Actions

5. Centralized vs. Decentralized vs. Both
6. Manual vs. Automated
7. Supervisor vs. Fiscal Specialist vs. Employee vs. Jobs Analyst vs. Panel
8. Work Currently “is” vs. What Work “could be”

# Strategic Issues and Alternative Courses of Action

## Issues

9. How often should work evaluations be conducted?

10. Who should be covered by work evaluation?

11. Should a work evaluation system be custom-made or should a commercially available system be used?

## Alternative Actions

9. Timing vs. Approval vs. Change in work

10. Some vs. All

11. Make, Buy, Adapt

# Strategic Issues and Alternative Courses of Action

## Issues

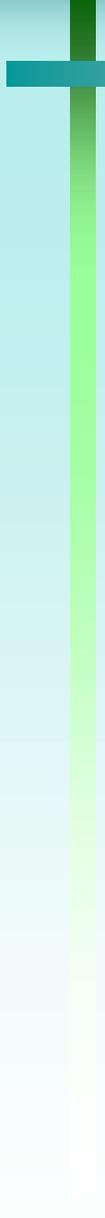
12. Should the work evaluation system lead, lag, or be installed concurrently with other changes to the compensation system?

13. How does work evaluation differ from performance evaluation?

## Alternative Actions

12. Lead vs. Lag vs. Match

13. Work vs. Performance



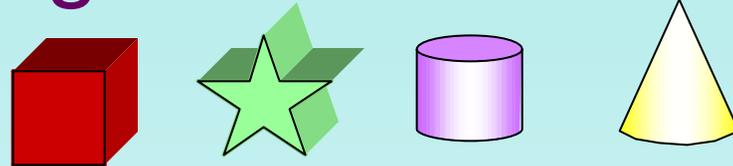
# Job Evaluation

Alternative Methods of Job Evaluation

## Alternative Methods of Job Evaluation

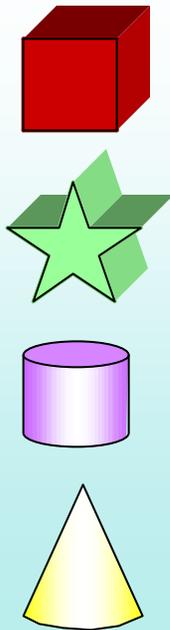
- Ranking
- Market Pricing
- Banding
- Classification
- Single Factor Plans
- Competencies
- Point Factor

# Evaluating Diverse Jobs/Work



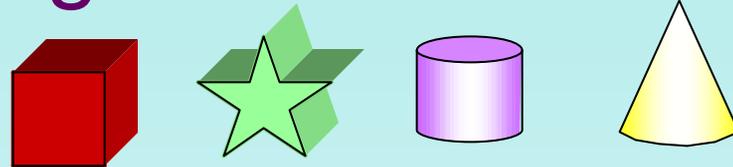
With various attributes  
number of corners, size, color

## RANKING



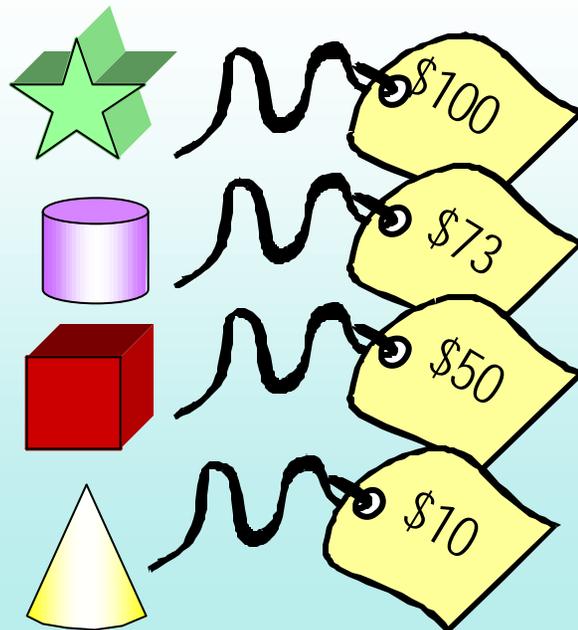
No explicit criteria,  
just "overall value"

# Evaluating Diverse Jobs/Work



With various attributes  
number of corners, size, color

## MARKET PRICING



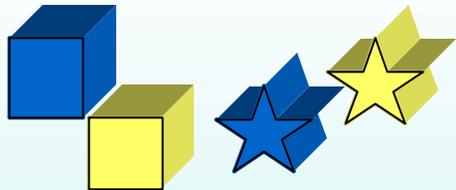
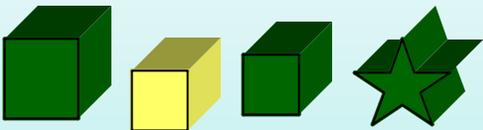
Uses cost in  
market place  
as means of  
ranking

# Evaluating Diverse Jobs/Work

## Banding

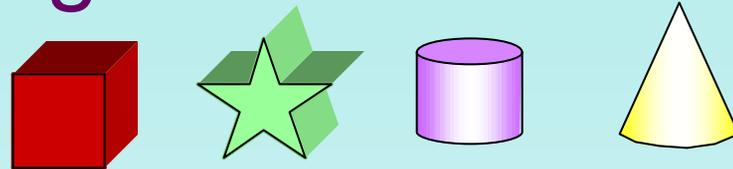
- Jobs grouped by common characteristics
- Groups rank-ordered
- Banding: Work Evaluation v. Pay Structure

# Evaluating Diverse Jobs/Work

<b>CLASSIFICATION</b>	Combines factors into overall descriptions of each classification level	
	<i>Classification Level</i>	<i>Level Description</i>
	Level 4	Yellow or blue, large, more than 5 corners
	Level 3	Yellow, blue or green, at least medium, more than 5 corners
	Level 2	Any color, at least medium, any number of corners
	Level 1	Any color, small

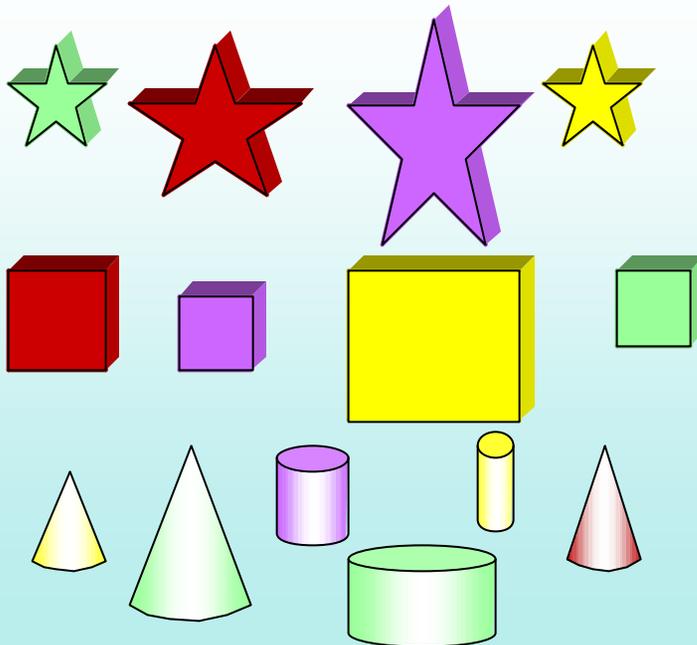
Objects placed in highest level at which they meet all criteria

# Evaluating Diverse Jobs/Work



With various attributes  
number of corners, size, color

## SINGLE FACTOR



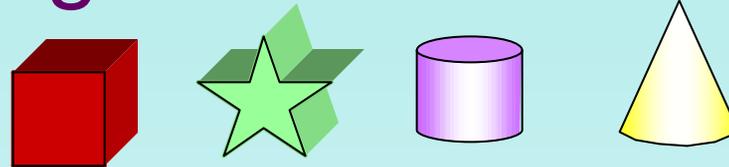
Uses only one  
feature to  
assess value,  
e.g., number  
of corners

# Evaluating Diverse Jobs/Work

## Competencies

- Multiple factors
- KSAs & Other Characteristics
- Observable behaviors

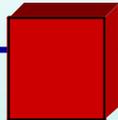
# Evaluating Diverse Jobs/Work



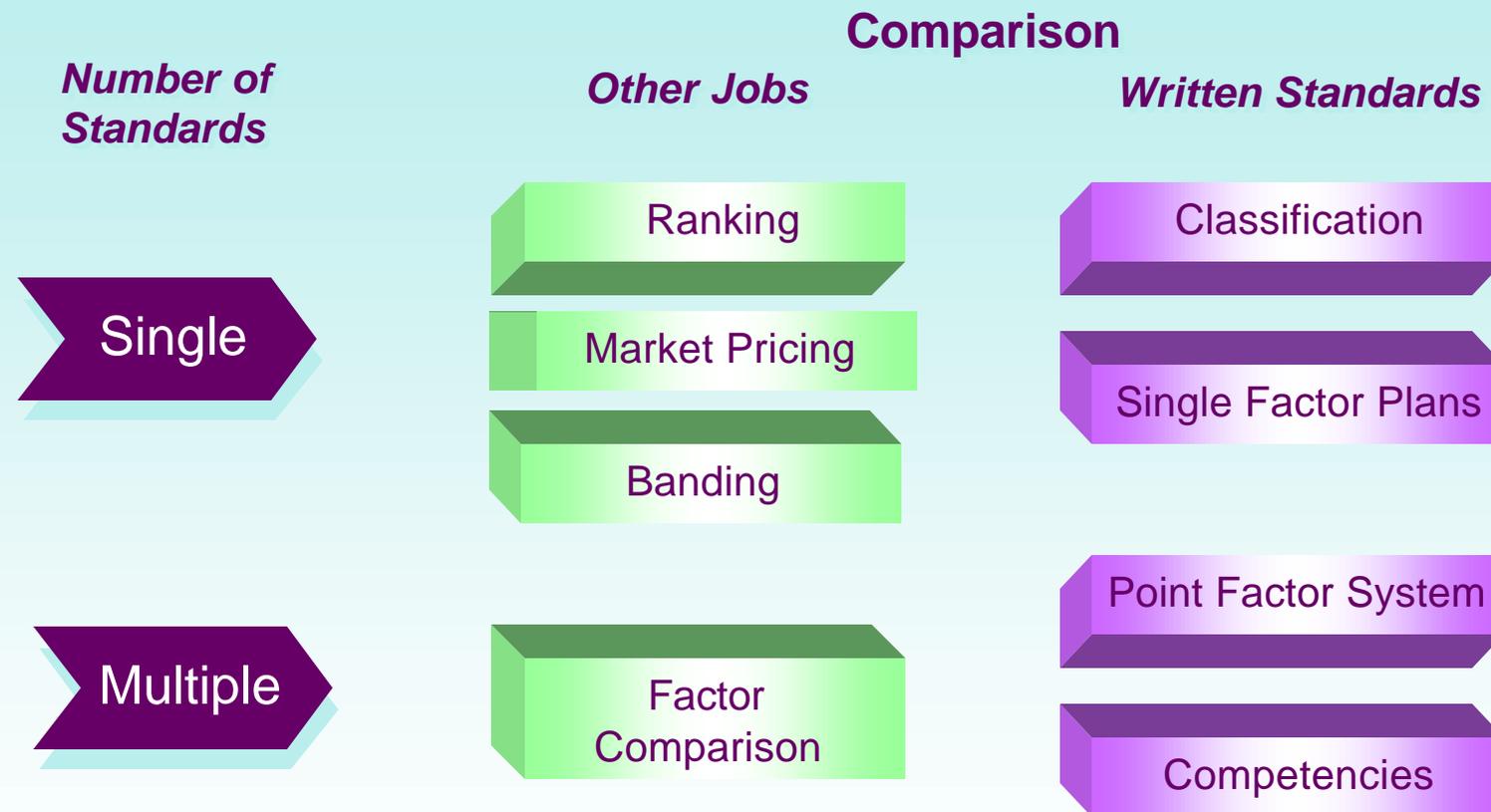
With various attributes  
number of corners, size, color

## POINT FACTOR

Uses several factors and arrives at overall relative value using point weighting

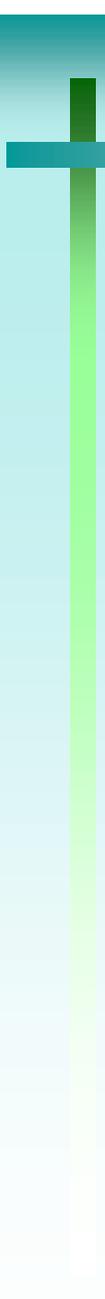
	SIZE		COLOR		CORNERS		
	Small =	20 pts	Red =	40 pts	0 - 5 =	0 pts	
	Medium =	40 pts	Green =	80 pts	6 - 9 =	10 pts	
	Large =	60 pts	Blue =	120 pts	10 - 20 =	20 pts	
			Yellow =	160 pts			
	L	60	Red	40	8	10	110
	M	40	Gre	80	10	20	140
	M	40	Blue	120	0	0	160
	S	20	Yell	160	0	0	180

# Work Evaluation Taxonomy



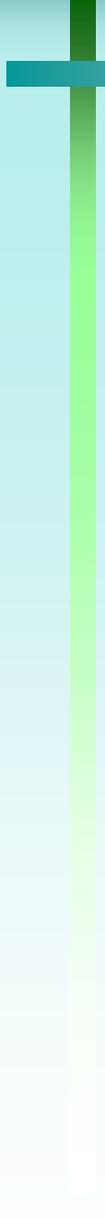
# Alternative Federal Systems

- Simplified Classification
- Factor Systems
- “Whole job” Slotting
- Market Pricing
- Single Factor



# Job Evaluation

Literature Review



# Literature Review

Major Perspectives on Job Work Evaluation

Work Evaluation Framework

Work Evaluation Outcomes

# Literature Review

## Major Perspectives

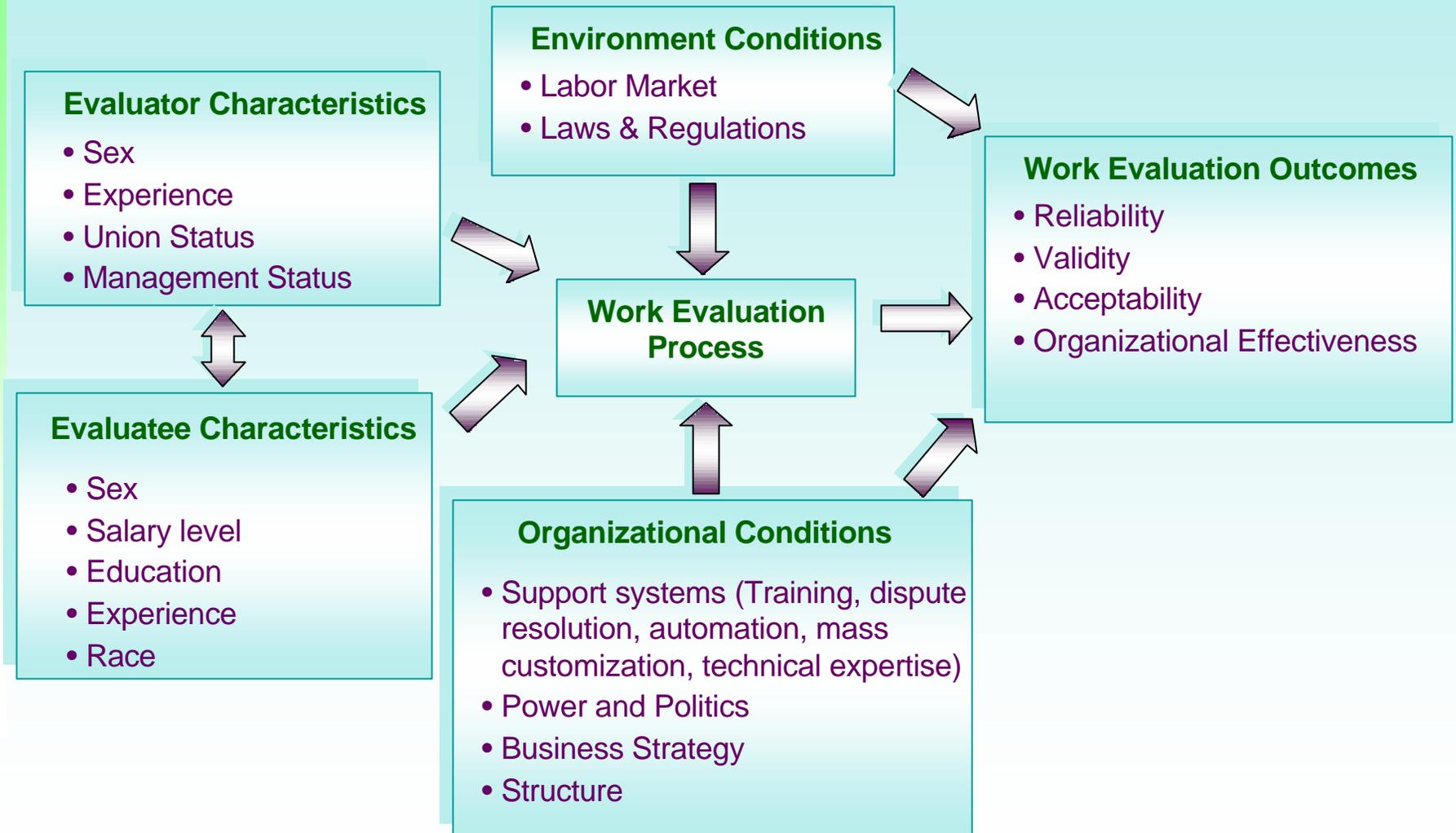
- Traditionalists
- Realists
- Market Advocates
- Strategists
- Organizational Development

# Literature Review

## Major Perspectives

- Social Reality
- Contingency Theory
- Competencies
- Cognitive Decision-Making

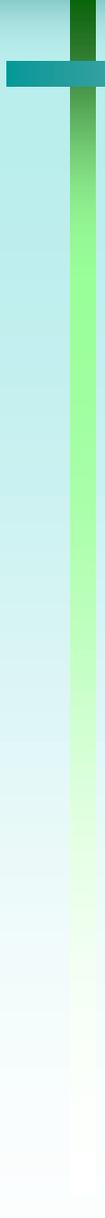
# Work Evaluation Framework: Variables Identified in the Literature to Date



# Literature Review

## Work Evaluation Outcomes

- Reliability
- Validity
- Acceptability
- Organizational Effectiveness



# Job Evaluation

Thought Leader Perspectives

# Summary of Future Trends By Thought Leaders

1. Point-factor systems will continue to be used for work evaluation in the old economy companies.
2. New economy companies will use classification systems for work evaluation.
3. Greater emphasis will be placed on variable pay than base pay in compensation design and administration.
4. Broadbanding will be used by all organizations, but in conjunction with career development, and with less broad bands.

# Summary of Future Trends By Thought Leaders

5. Market pricing will be used by all organizations, most in conjunction with work evaluation.
6. Employees will have access to pay data with or without company permission.
7. Managers and employees will have more emphasis in pay decisions than HR analysts.
8. Compensation packages will eventually be tailor made for each employee rather than groups of employees.

# Summary of Future Trends By Thought Leaders

9. A lack of attention to measurement issues in pay system decisions, especially work evaluation, will result in many legal challenges by employees the next time the economy turns down and pay increase levels are reduced.
10. New forms of “validation” will need to be developed for pay system decisions to supplement content, criterion-related, and construct validation design.