Job Evaluation Methods: Ranking

- Ranking each job relative to all other jobs, usually based on some overall factor.

- Steps in job ranking:

  1. Obtain job information.

  2. Select and group jobs.

  3. Select compensable factors.

  4. Rank jobs.

  5. Combine ratings.

11–1

TABLE 11–3   Job Ranking by Olympia Health Care

Ranking Order	Annual Pay Scale
1. Office manager	$43,000
2. Chief nurse	42,500
3. Bookkeeper	34,000
4. Nurse	32,500
5. Cook	31,000
6. Nurse's aide	28,500
7. Orderly	25,500

Job Evaluation Methods: Job Classification

- Raters categorize jobs into groups or classes of jobs that are of roughly the same value for pay purposes.
  - Classes contain similar jobs.
    - Administrative assistants
  - Grades are jobs similar in difficulty but otherwise different.
    - Mechanics, welders, electricians, and machinists
  - Jobs are classed by the amount or level of compensable factors they contain.

Job Evaluation Methods: Point Method

- A quantitative technique that involves:

  - Identifying the degree to which each compensable factor is present in the job.

  - Awarding points for each degree of each factor.

  - Calculating a total point value for the job by adding up the corresponding points for each factor.

Quantitative Job Evaluation Methods

- **Factor Comparison Job Evaluation Method**

  Step 1. Obtain job information

  Step 2. Select key benchmark jobs

  Step 3. Rank key jobs by factor

  Step 4. Distribute wage rates by factors

  Step 5. Rank key jobs according to wages assigned to each factor

  Step 6. Compare the two sets of rankings to screen out unusable key jobs

  Step 7. Construct the job-comparison scale

  Step 8. Use the job-comparison scale

The Point Method of Job Evaluation

Step 1. Determine clusters of jobs to be evaluated

Step 2. Collect job information

Step 3. Select compensable factors

Step 4. Define compensable factors

Step 5. Define factor degrees

Step 6. Determine relative values of factors

TABLE 11–A5 Evaluation Points Assigned to Factors and Degrees

	First-Degree Points	Second-Degree Points	Third-Degree Points	Fourth-Degree Points	Fifth-Degree Points
Decision making	41	82	123	164	204
Problem solving	35	70	105	140	174
Knowledge	24	48	72	96	123