

# Hay Group guide chart & profile method of job evaluation – an introduction & overview

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# What is job evaluation?

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- Job Evaluation is a **systematic process for ranking jobs logically and fairly** by comparing job against job or against a pre-determined scale to determine the **relative importance** of jobs to an organisation
- Which is to say that job evaluation:

## Is...

- Comparative
- Judgemental
- Logical
- Job centred

## Is not...

- Absolute
- Unstructured
- Scientific
- Person focused

“The term job evaluation refers to a formal procedure for hierarchically ordering a set of jobs or positions with respect to their value or worth, usually for the purpose of setting pay rates.”

National Academy of Sciences 1979

# The Hay Group methodology

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- Established in 1943 by Edward (Ned) Hay
  - Continually updated and developed
  - The most widely used method in the World
  - Used by more than half the Fortune 500 companies
  - Used in 90+ countries
  - Applied by both public and private organisations
  - Used to evaluate millions of jobs at all levels and in all sectors across the world
- 

# Advantages with the Hay Group method of evaluation

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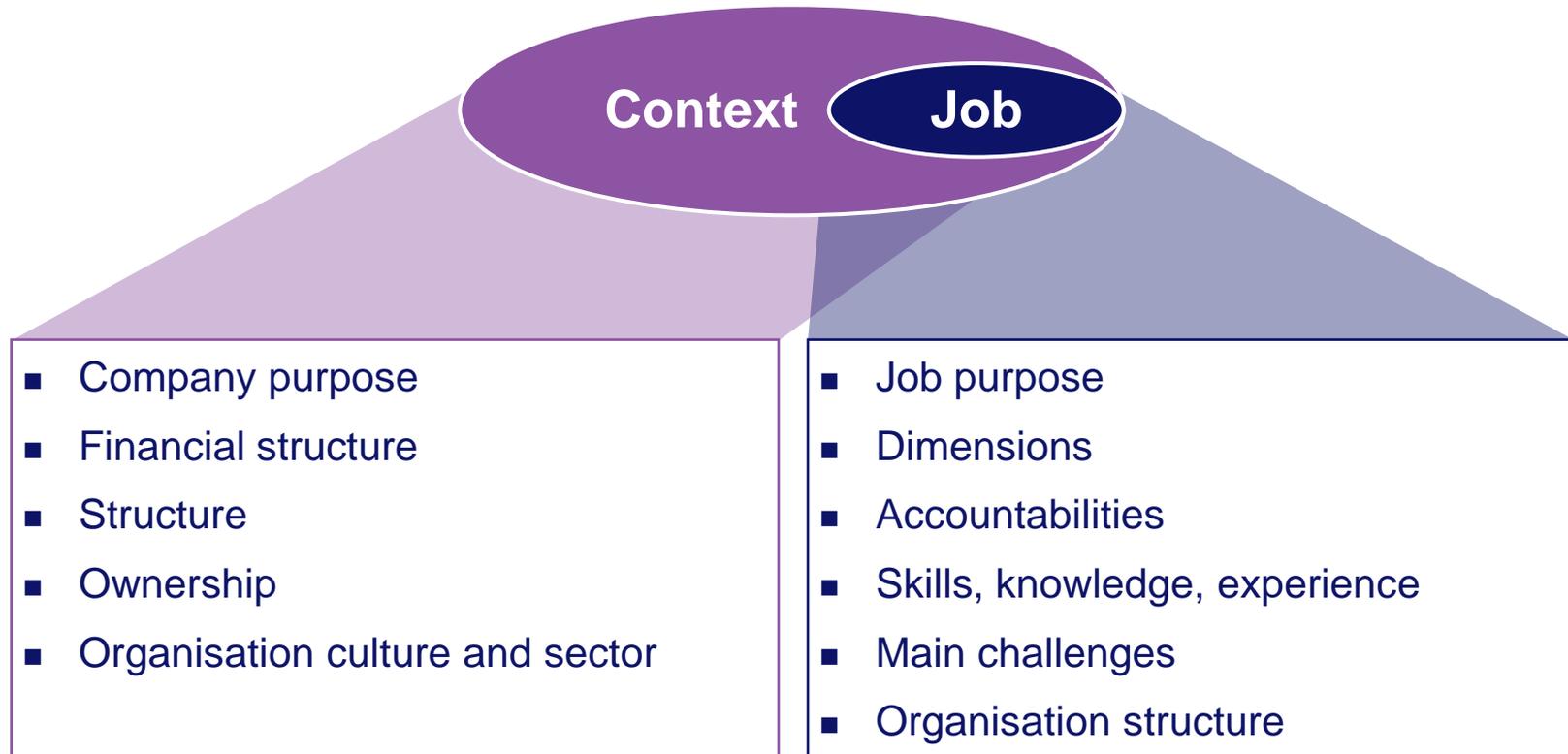
- Based on a credible, simple and coherent model of the characteristics of different levels of work
- Sensitive in measuring job differences
- Enables comparison of dissimilar jobs
- Provides an analytical method which, in principle, satisfies equal value law
- Most widely used evaluation method in the world
- Provides a rating of differences, not just ranking
- Flexible and able to cope with change
- A 'value free' framework in which to reflect your relativities
- Recognises the criticality to business of the concept of accountability
- Recognises and assesses job content and context

# Role of context and job understanding

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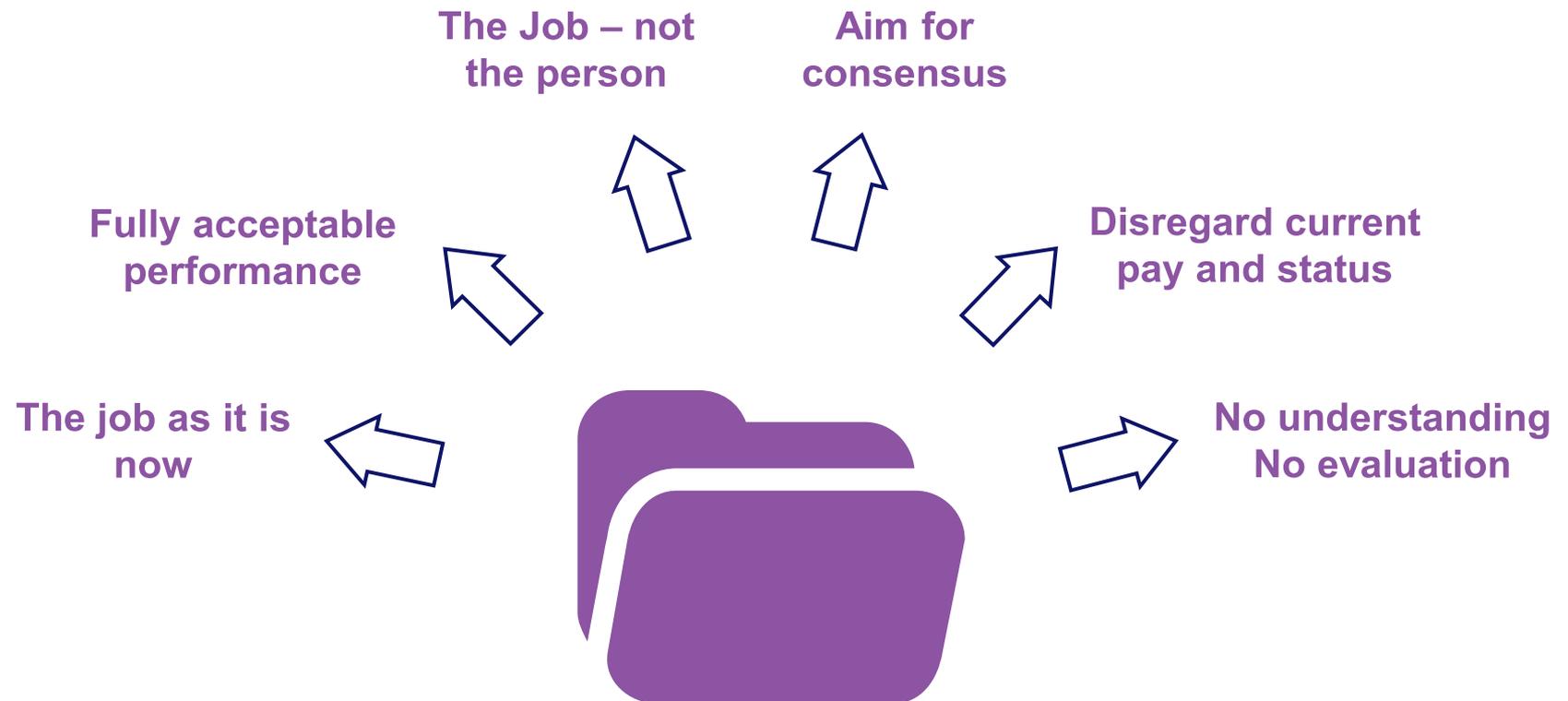
Evaluation requires job information, the knowledge of the evaluator(s) and other relevant documentation



# Guidelines in job evaluation

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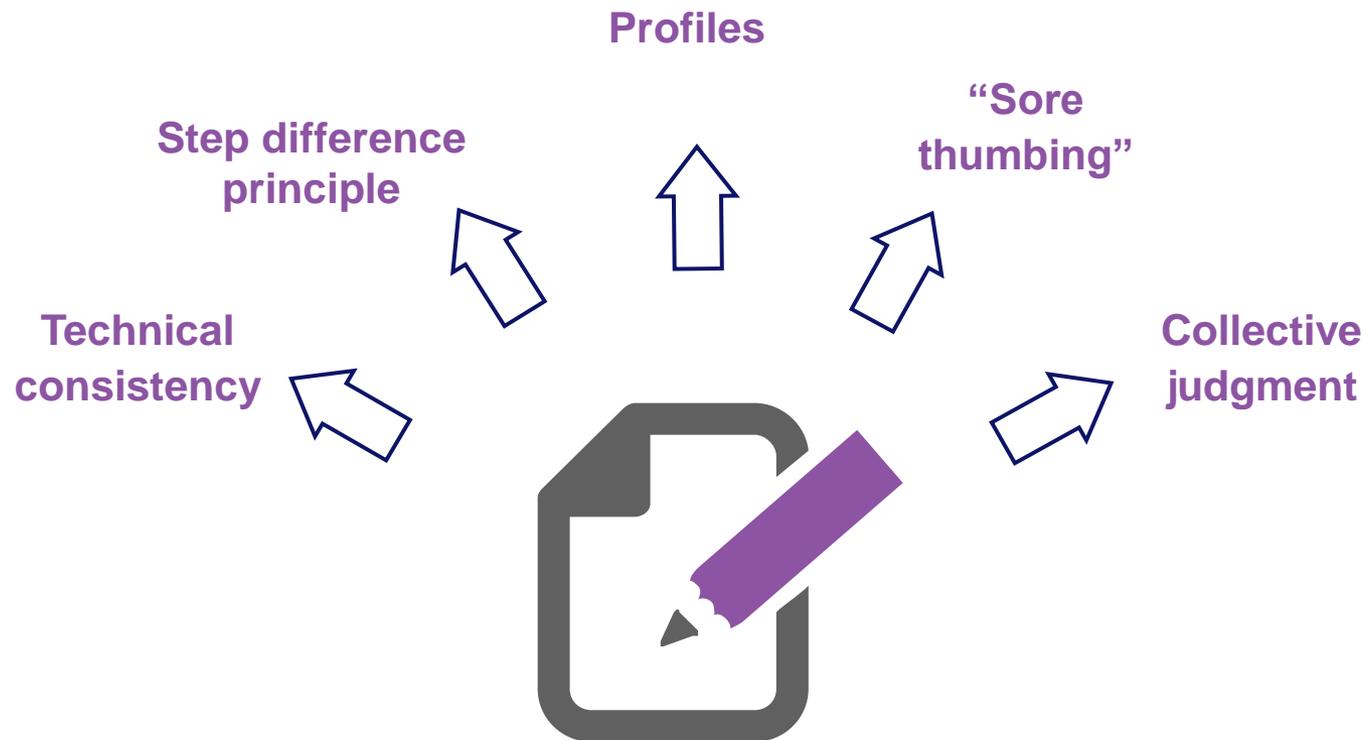
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# Checks and balances

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# The underlying principles

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Jobs exist to achieve an end result

Accountability

2

To achieve this end result, job holders must address problems, create, analyse and apply judgement

Problem-solving

Accountability

3

Therefore, the job holder requires a level of knowledge and experience commensurate with the scale and complexity of the deliverables

Know-how

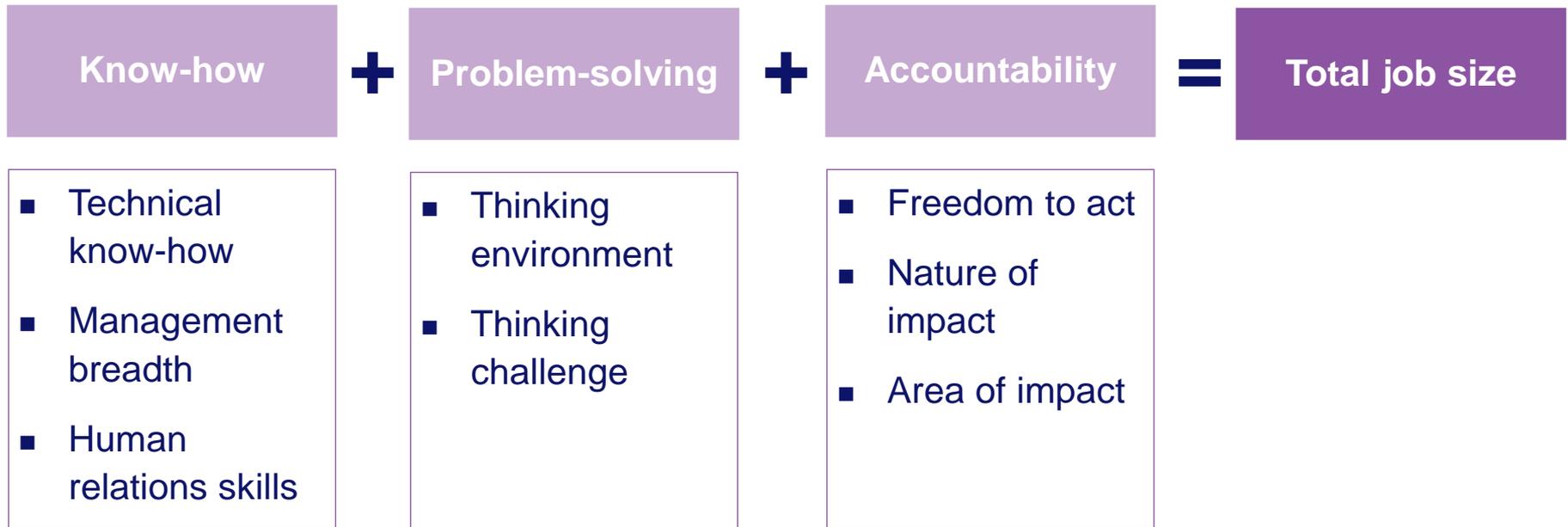
Problem-solving

Accountability

# Elements of job size

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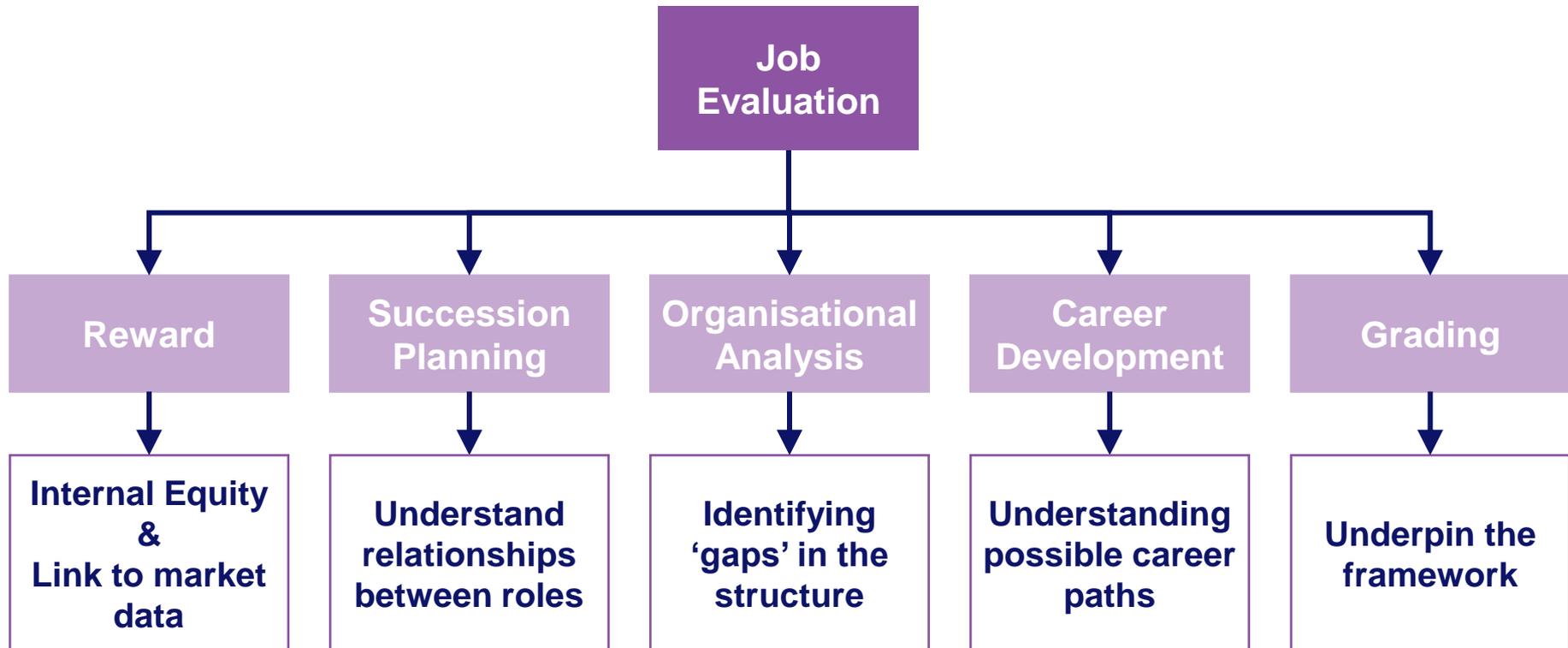
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# Applications for job evaluation

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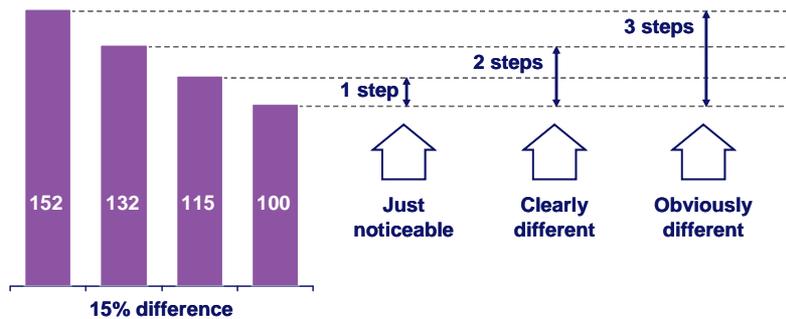


# Grade structures need to reflect:

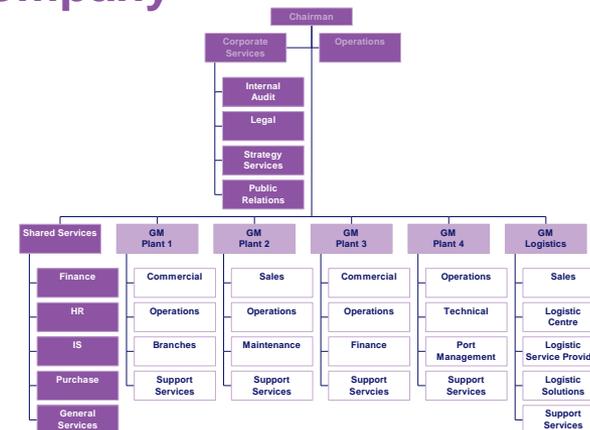
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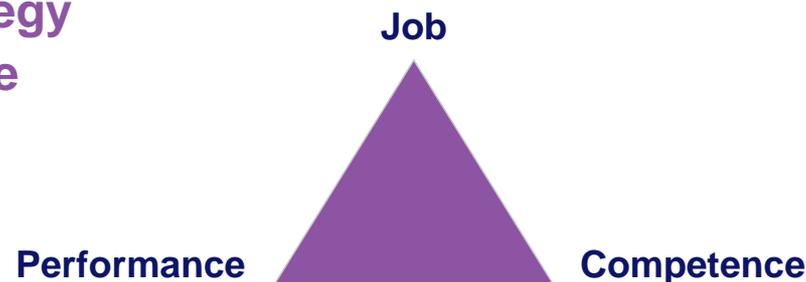
## The internal logic of the evaluation process



## The organising concepts of the company



## The reward strategy and culture of the company



# Compensation and benefits structure

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## STEP – I: INTERNAL EQUITY ANALYSIS

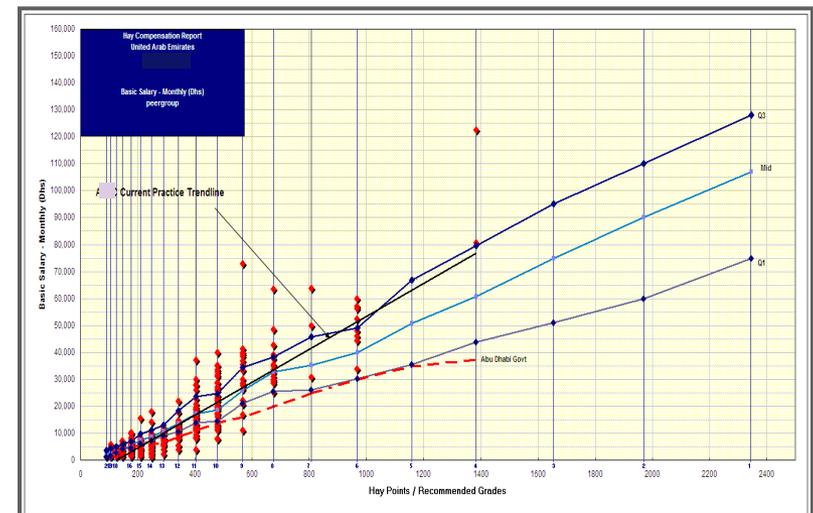
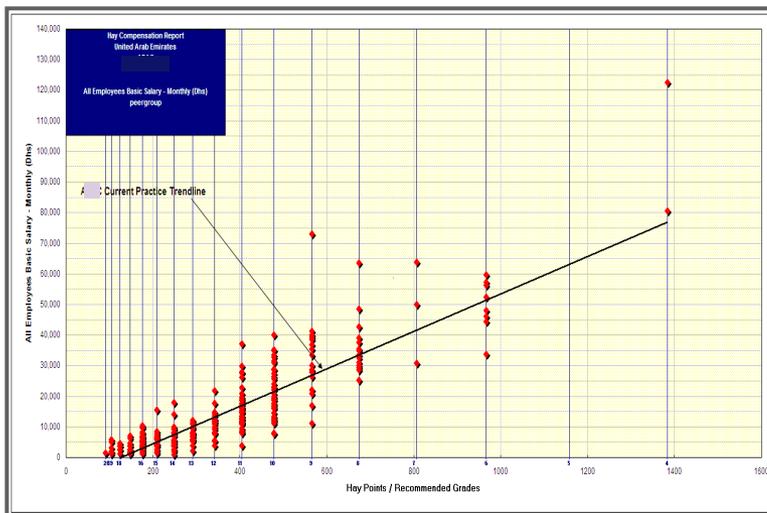
Conduct an internal equity analysis for basic pay & guaranteed cash to determine the extent to which similar jobs receive similar pay

Pay mix analysis across various grades to understand the existing pay composition & philosophy

## STEP – II: EXTERNAL EQUITY ANALYSIS

Develop market lines based on agreed peer group

Benchmark the existing pay structure with the market line and highlight the gap between the existing percentile position and the desired one



# Step differences and structure analysis

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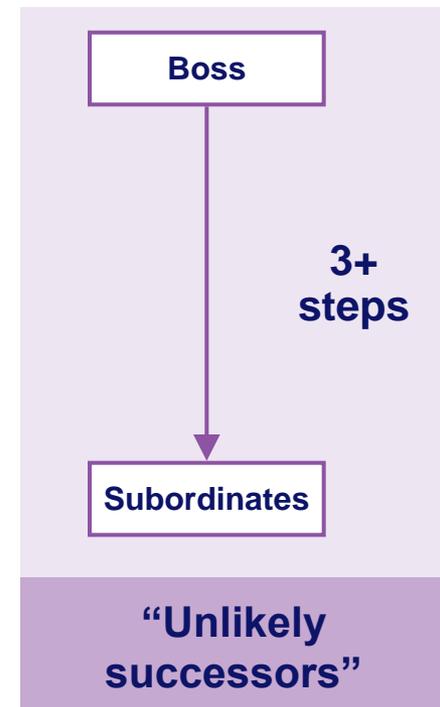
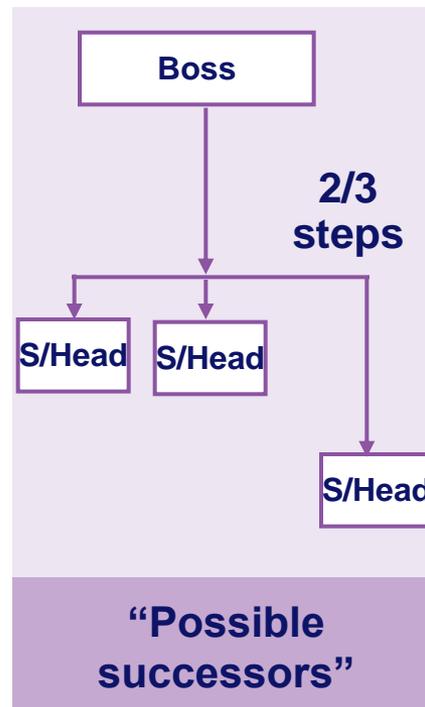
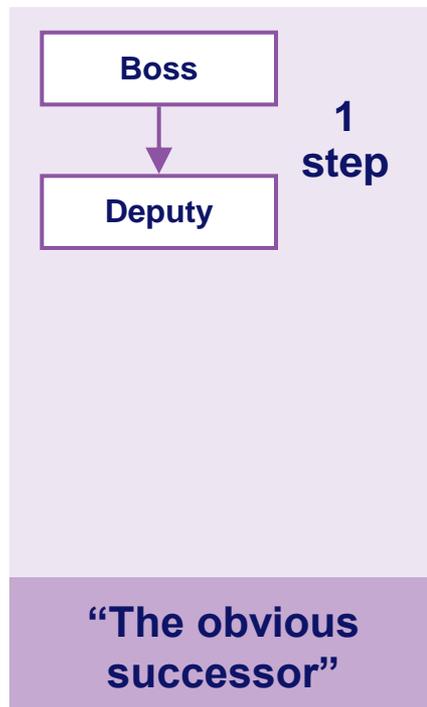
## Know-how score

400

350

304

264



# Alex Macleay, Middle East

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## Summary

Alex has worked across many business sectors enabling her to offer clients a broad perspective of the issues they face. Alex's core expertise lies in the field of Work Measurement which includes job analysis, job family models, job evaluation and grading and the link to the wider reward issues that client may face. Having spent 22 years in Hay Group UK, Alex joined Hay Group Middle East in 2008 and currently heads up the Work Measurement practice.

## Background

- Alex has a BSc (Hons) in Psychology.
- As the lead role in Work Measurement in the region Alex represents the Middle East office within the extended European JE network.
- She has trained numerous clients in the use of the Hay Group Guide Chart and Profile Method of job evaluation, the principles of salary management and performance management.

## Project experience

- Assisting organizations undertaking transformation and reward solutions to identify and manage their talent ,organisation structure, job evaluation and grading through the process.
- Undertaking several leadership programmes with clients to support Succession Planning and Talent Management. Alex has been working on key projects with both public sector and multinational organizations
- Developed an HR strategy and performance-related pay and grading structure for an international organisation in the transport sector to be rolled out on a global basis.
- Interviewed managers of a multinational companies to provide an objective view of the role's grade using the Hay Group Job Evaluation Methodology
- Quality assure and review numerous deliverables produced by consultants in the field of job analysis job family models and job evaluation
- Project managed key client interventions to support reward strategies, performance management and job evaluation
- Facilitated a number of job evaluation panel/committees to ensure knowledge and consistence of approach to several job evaluation and grading projects

# Thank you

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