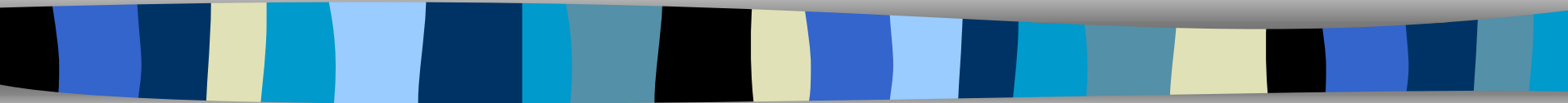


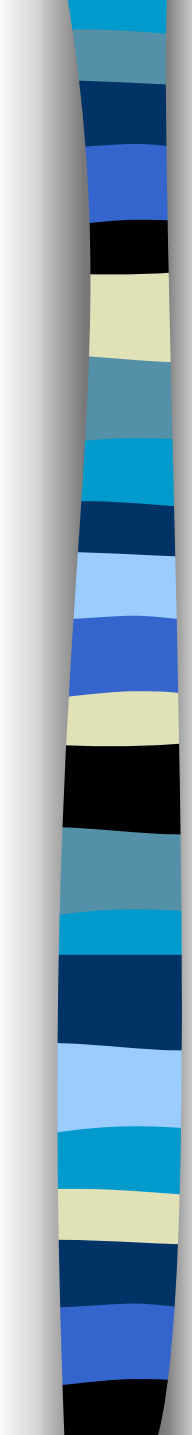
Hay System of Job Evaluation





About the Hay Group

- Global Human Resources Management Consulting Firm
- Guide Charts in existence since 1951
- 2,000 employees worldwide
- 9,000 clients in various industries
- Partners with clients to implement Human Resources Strategies which align with business objectives
- Leader in Compensation Assessment and Design



Job Evaluation and the Hay System

The Hay method of job evaluation is generally understood to be a point plan, although Hay itself does not define the guide chart-profile method as such. Hay's Methodology is the "most widely used process in the world":

- Measures jobs to reflect their relative weight in the organization
- Provides means to assess pay across different market/functions
- Evaluates ***jobs*** and not ***people***
- Not based on performance, title, writing skills or current salary



Hay System

- **How are jobs evaluated using the Hay System?**
 - Job description questionnaires are completed and signed by the jobholder, the supervisor, and other managerial staff who have responsibility for position.
 - The job description questionnaire is given to each member of the job evaluation committee for his/her initial evaluation.
 - The committee meets with the jobholder and supervisor to explore questions and clarify content.
 - The committee members then compare their individual evaluations and resolve differences that might exist.



Hay Factors

Hay's Job Evaluation Methodology values all jobs against three factors:

- Know-How
- Problem Solving
- Accountability



Factors – Know How

The sum total of knowledge, *however acquired*, necessary for *competent* job performance:

- Technical Know-How
- Managerial Know-How
- Human Relations Skills



Factors – Know How

This sum total which comprises the overall “fund of knowledge” has three dimensions – the requirements for:

- Practical procedures, specialized techniques, and learned disciplines.
- Active, practicing skills in the area of human relationships.
- Know-how of *integrating and harmonizing* the diversified functions involved in managerial situations (operating, supporting, and administrative). This know-how may be exercised consultatively as well as executively and involves in some combination the areas of organizing, planning, executing, controlling, and evaluating.



Factors – Problem Solving

The original “self starting” thinking required by the job for *analyzing, evaluating, creating, reasoning, arriving at and making conclusions*. To the extent that thinking is circumscribed by standards, covered by precedents, or referred to others, problem solving is diminished and the emphasis correspondingly is on know-how.

Problem solving has two dimensions:

- The *environment* in which the thinking takes place.
- The *challenge* presented by the thinking to be done.



Factors - Accountability

The *answerability* for an action and for the consequences thereof. It is the measured effect of the job on end results. It has three dimensions in the following order of importance:

- Freedom to Act – the degree of personal or procedural control and guidance the jobholder has.
- Job Impact on End Results – ranges from direct to indirect impact on end results by auxiliary, contributory, shared, or primary effects.
- Magnitude – indicated by the general dynamic monetary size or accountability area(s) most clearly affected by the job.

Rank Order

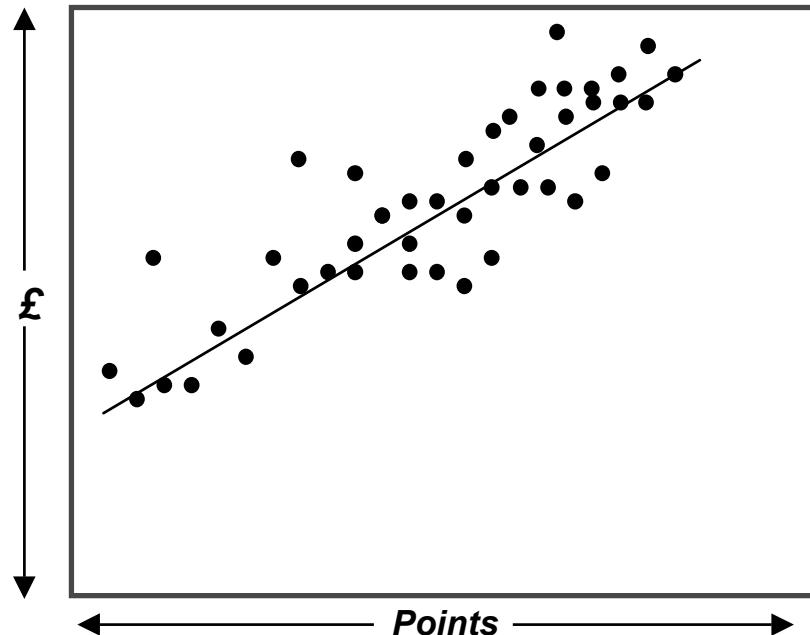
The result of the job evaluation process is a ranking of positions from top to bottom:

Position	Incumbent	Know-How	Problem Solving	Accountability	Total Points
Manager	J. Doe	F13 304	E3(38) 115	E3C 152	571
Supervisor	S. Smith	E13 230	D3(33) 76	D2P 115	421
Systems Specialist	B. Brown	E12 230	D3(33) 76	D2C 76	382

Internal Equity Analysis

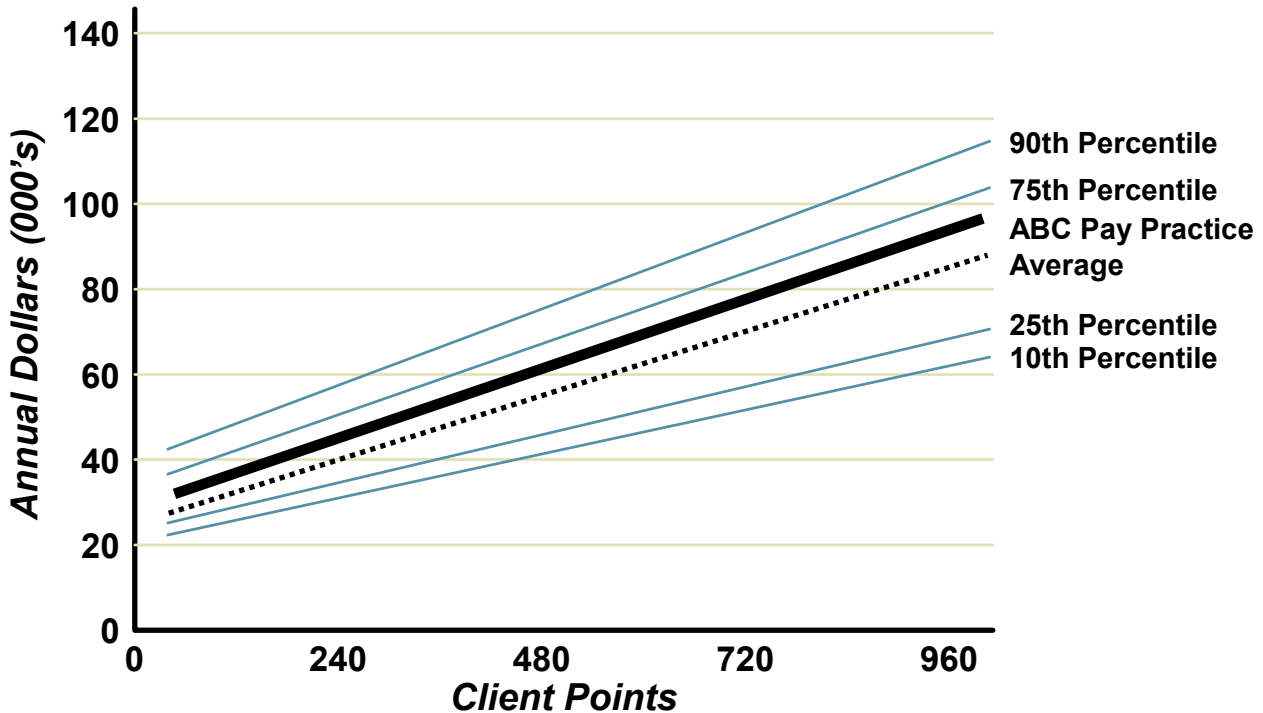
Internal consistency of pay levels can be assessed by matching money value to points:

**Base Salary Practice
Internal Equity
Assessment**



Market Pricing Analysis

Pay levels can be compared to appropriate competitive markets e.g Regional companies, education sector, not for profits...





Problems

- Complicated scoring matrix (transparency)
- Emphasis on Management Know How
- Bias reflects hierarchy and budget holding
- Unsuitable to collegial and team-based nature of education sector
- Is not concerned with how responsibilities arrived at – snapshot system
- Sex bias