



LEICESTERSHIRE
COUNTY COUNCIL

HAY

A Manager's Guide to the Hay
Job Evaluation Scheme

JULY 2002

INTRODUCTION

1. This Guide will help you understand job evaluation (J.E.) and how it could affect your future rate of pay. As well as explaining what J.E. is about, the Guide also sets out the background associated with the J.E. exercise and the reasons why the County Council selected the Hay Scheme. The Guide should be read in conjunction with the Implementation Booklet and your job evaluation notification letter.
2. The Guide is **not** intended as a comprehensive manual of the Hay J.E. Scheme. Instead it explains what sort of factors are taken into account in arriving at a grade for a job.

BACKGROUND

3. A National Agreement was reached in 1997, which applied to all former Administrative, Professional, Technical and Clerical (APT & C) and manual employees. More commonly known as the Single Status Agreement, its purpose was to apply the same terms and conditions of employment to all former APT&C and manual employees. A key element of the Agreement requires all local authority employers to review their existing pay structures for both groups (without a fixed time limit). Also the County Council was required to undertake similar local reviews for the Chief Executive and Chief Officers. The overall situation prompted the County Council to institute a complete review to enable consideration to be given to streamlining the process of grading jobs and developing a modern pay structure which will restore fairness (i.e. having regard for Equal Pay legislation), discipline and credibility into the Council's pay policy.
4. After many months of consideration, locally elected Members of all political groups resolved in March 1999, that the Hay Scheme best suited the needs and circumstances of the County Council.

WHAT IS JOB EVALUATION?

5. Job evaluation measures the contribution made by a post to the function/service/department. Job Evaluation does not take account of the performance of the postholder; that is a separate matter. Jobs are designed to enable them to be undertaken competently, the evaluation, therefore, assumes that the job is being done to a competent level. Jobs are evaluated on what they are now, not what they were in the past or what they might become in the future.
6. Fundamentally, J.E. is a means to:-
 - establish the appropriate rank of jobs in an organisation;
 - establish the relative distance between jobs within the ranking;
 - provide a systematic measurement of job size (i.e. total points score for job), relative to other posts, to enable salary comparisons to be made.
7. Job Evaluation is not a remuneration package. As has already been mentioned, job evaluation measures the size of a job relative to others. The question of its value in monetary terms is determined by the salary structure (a decision for the County Council not Hay).

8. Sound J.E. depends upon a consistent approach. In practical terms this means that every job, no matter what its position in the County Council, must be treated in the same way and with the same level of consideration.

THE HAY METHOD

9. The Hay method is a well tried and tested Job Evaluation scheme. The Hay scheme measures the size of a job in 'job units' - i.e. the score for the job. This is matched against an agreed grade structure to determine the job grade.
10. There are three basic elements of job content common to all jobs. These elements are:-
- KNOW-HOW Is the sum of every kind of knowledge, skill and experience (however acquired) which the jobholder requires for acceptable job performance.
 - PROBLEM SOLVING The level of complexity of thinking involved when the jobholder applies KNOW-HOW to get the job done.
 - ACCOUNTABILITY The impact of the job and the limitations placed upon the jobholder to take independent action.
11. The three elements, Know-How, Problem Solving and Accountability are broken down into the following sub-elements.
- KNOW-HOW - Depth and Breadth of Technical Know-How
 - Planning, Organising and Controlling
 - Communication / Influencing
 - PROBLEM SOLVING - Thinking Environment
 - Thinking Challenge
 - ACCOUNTABILITY - Freedom to Act
 - Area and Nature of impact.
12. Each job is measured against these three elements. A numerical score for each is calculated against standard charts provided by the Hay Group. There are two additional elements measured which may be present in some, but not all, jobs. These are:
- PHYSICAL EFFORT - This measures the additional effort or strength involved in performing the job which would be in excess of that expected in a day-to-day office environment.
 - WORKING ENVIRONMENT - This measures any uncomfortable working conditions, which would be in excess of that expected in a day-to-day office environment.
13. A numerical score is determined for each of these two additional elements. These are added to the score of the three factors mentioned earlier (i.e. know-how, problem-solving and accountability), to produce a total score for the job.

14. The following paragraphs give a more detailed explanation of the three elements of Know-How, Problem Solving and Accountability and their sub-elements.

A. KNOW-HOW

Depth and Breadth of Technical Know-How.

This measures the level of skill, experience and qualifications required to do the job. This does not necessarily mean that the higher the qualification, the higher the grade. Also, whether the required knowledge has been gained through formal qualification or by on-the-job experience is not important. What matters is possession of the knowledge. It includes "life skills" experience; such as may be required in caring jobs where, for example, the need to influence elderly clients is important. An important aspect of the Depth and Breadth of Technical Know-How score is that it will influence the levels allocated within Problem Solving and Accountability. This is explained more fully later in the Guide.

Planning/Organising/Controlling

i) This factor is concerned with the job requirements for planning, organising, controlling and developing the activities and operations of the County Council. What is important in this factor is the degree to which the job requires different elements to be brought together to achieve a satisfactory end result. These skills are required in varying degrees in jobs where end results are achieved by an individual, or through other people (e.g. a manager), or providing ideas/advice for others to execute (e.g. a specialist).

ii) There are five principal areas to consider:-

COMPLEXITY How complex is the function of planning, organisation, controlling and developing in the job?

SCALE Where the function demands a large and/or multi-specialist resource, the requirement for integration, co-ordination and communication is increased.

ORGANISATION What is the size of the function operation in relation to
FUNCTIONS the County Council's total operation?

TIME SPAN What is the time span of the activities controlled by the job?

HORIZON What is the limit of forward planning required by the job?

iii) The score for this element is influenced by the number of employees supervised or managed. However, jobs requiring a long-term strategic role within the department and, perhaps, beyond will also affect the score. For example, a senior job operating corporately across the whole organisation, responsible for 3 or 4 employees would score at a higher level than a supervisor of 12 employees who have a very clearly defined role. Following on from this, if a supervisor became responsible for 1 or 2 additional employees this would not necessarily be a case for re-evaluation. If the extra employees were bringing a new function it would certainly be valid to look again at the supervisor's job. However, if it was simply a matter of additional help needed because of increased workload, there may not be a case. This is because the Hay system is concerned with the quality of work rather than

the quantity. More of the same does not necessarily produce a higher grade. Of course, there is a point where quantity eventually affects quality, if the workload increases sufficiently.

Communicating/Influencing.

iv) This is about the necessity to communicate with others. We all need to communicate with others in the course of our jobs but it is the type of communication that is measured here. This ranges from ordinary courtesy - exchanging information with others (as with say, administrative jobs), through persuasiveness/assertiveness - including caring for the personal and emotional needs of others and supervising employees (supervisors, caring employees), to critical, where the level of interpersonal skills may, for example, require negotiation within and/or outside the organisation or the development, motivation and assessment of employees (many senior managers are likely to fall into this category).

v) To summarise the Know-How element, the areas of the job that are measured are:-

- Knowledge required - both formal qualifications and/or skills and experience acquired over a period of time, including "life skills", where understanding of others' needs is important.
- Integrating and harmonising the diverse elements involved in supervisory/managerial situations.
- Human relations skills - the need to communicate with, understand and influence other people, whether employees or clients.

B. PROBLEM SOLVING

i) This is the 'self starting' thinking required by the job for analysing, evaluating, creating, reasoning, arriving at and drawing conclusions. The raw material of Problem Solving/Thinking is knowledge of fact, principles and means. Ideas are put together from something already there - in plain words, "you think with what you know." Problem solving is reduced to the extent that thinking is governed by standards or covered by precedent or referred to others.

Thinking Environment

ii) This factor measures the conditions in which problem solving takes place and the amount of help available in normal circumstances. This factor is concerned with the degree of guidance in approaching problems. The thinking may be limited by direct supervision or personal control; a procedure which will require problems to be referred elsewhere; or the nature of the task itself, which may provide limited opportunity for thought.

Thinking Challenge

- iii) This factor measures the difficulty of the thinking required to solve problems. It assesses the complexity of the problem and the extent to which it lies within the required experience of the jobholder. In practice, this can range from repetitive jobs requiring solutions by simple choice of things learned, to jobs requiring constructive thinking and a significant degree of evaluative judgement (i.e. assessing the merits/demerits of a number of options).

- iv) To summarise the Problem Solving element, the areas of the job that are measured are:-

- The need to make decisions - what actions need to be taken in order to carry out the duties of the job?
- The level of decision making - are there simple rules to follow or is there a degree of freedom to determine the action to be taken?

C. ACCOUNTABILITY

- i) Freedom to Act

This dimension assesses the nature and extent of the controls - or the lack of them - that surround the job. It addresses the question of the job's freedom to make decisions and carry them out. Such freedom may be limited by:-

- the need to refer certain decisions to others for approval;
- instructions, procedures, practices and policies which define or limit action;
- the nature of the work itself which may give little opportunity for change in action;
- the level of the job in the organisation which may limit the authority for taking action.

These controls tend to diminish as seniority of post increases, in other words the Freedom to Act increases with organisational rank.

- ii) Impact (Magnitude and Nature)

Magnitude of the Impact

Magnitude measures the size of the unit/junction/service. It is expressed in monetary terms - normally fixed by an annual budget. This is based on the notion that money is normally the most convenient measure of assessing the size of the unit or function. In plain words normally the bigger the budget the bigger the unit/function. The Hay Scheme, however, recognises that some jobs do not have a financial responsibility or because the amount is too small, it is not appropriate to measure it in monetary terms. There is

provision in the Scheme for measuring a non-financial magnitude. Whether a job has a financial responsibility or not, the measurement of the Magnitude must be looked at together with:-

Nature of Impact

This dimension measures the influence the job has on end results, where a job has financial responsibility, the influence can vary from:

- provision of information for others to use;
- responsibility for giving advice which may help decision-making;
- shared responsibility (i.e. Team situation);
- job has overall responsibility for end results.

For jobs that have no financial responsibility, influence is measured on the level of service provided and/or operation of plant or equipment. This can vary from nominal through to a critical influence.

iii) To summarise the Accountability element, the areas of the job that are measured are:-

- Responsibility for deciding what has to be done and the freedom allowed to achieve this without reference to others.
- Financial responsibility - the amount of money involved and the level of influence on the money spent.
- Responsibility for plant/equipment or level of service provided.

D. ADDITIONAL WORK ELEMENTS

i) Physical Effort/Strain

Some jobs include a manual element in them. These jobs require physical effort beyond what might be expected in the performance of jobs in a day-to-day office environment. Examples of such activities could be lifting, bending, stretching or working in awkward positions. Frequency, duration, and intensity are all considered in the measurement of this element. Not all jobs will contain this element.

ii) Working Environment

Some jobs are required to be undertaken in unfavourable environmental conditions. For jobs to 'score' under this element, the exposure would be beyond what might be expected in a day-to-day office environment. Examples of unfavourable conditions would be dirt, heat, cold, fumes, unpleasant odours etc. Not all jobs will contain this element

CHECKING PROCESS

15. There are a number of features and in-built checks in the Hay J.E. Scheme that are aimed at both maintaining the integrity of the Scheme and achieving consistent evaluation results. The following paragraphs explain in more detail.

16. The Hay scoring system is based on 15% steps of difference between jobs. Anything less than a 15% difference is not treated as significant for grading purposes.
17. A practical application of the 15% step principle is as follows:-
 - If the subordinate's job was one step less from the job of his/her supervisor/manager, the subordinate would be an obvious successor.
 - If the difference was two steps, the subordinate would be "a possible successor".
 - If the difference was three steps or more, the subordinate would be "an unlikely successor".
18. The total evaluation of a job answers the question "how big is this job?" The distribution of points between Know-How, Problem Solving and Accountability gives an idea of the shape or PROFILE of the job. In other words, it answers the question, "what sort of job is this?" Is the job an essentially thinking job (i.e. emphasis on Problem-Solving), or is the emphasis on Action (i.e. Accountability), or is the balance about equal. If the shape of a job, expressed by its PROFILE, appears odd, it will prompt a reconsideration of the evaluation.
19. In a traditional reporting structure - as in the County Council - it is not realistic to evaluate a subordinate's job at the same level as their boss. It follows, therefore, that the scoring system has to reflect this reality. It is for this reason that the elements in a job of Planning, Organising and Controlling and Freedom to Act tend to increase with seniority.
20. Other validity checks are as follows:
 - Freedom to Act should not be at a higher level than Depth/Breadth of Knowledge
To do otherwise, would mean giving responsibility to the job to achieve an end result that would be greater than the knowledge necessary to achieve that end result.
 - Likewise, Thinking Environment should not be at a higher level than Depth / Breadth of Knowledge.
If it were, the evaluation would be indicating that the complexity of the job is beyond the knowledge required to do the job.
 - Freedom to Act should not be set higher than Thinking Challenge.
To do so would be indicating in blunt terms, that the job required action without sufficient thought.
21. The Panel applied the validity checks to all jobs. Where the checks indicated that something was questionable, the Panel re-evaluated the job. The most likely reason for this occurring was that the requirements of the job had not been fully explained in the Job Evaluation Questionnaire.

SUMMARY

22. Job Evaluation is not a science; it does require a degree of subjectivity. The Hay method of job evaluation is not perfect - no JE Scheme could legitimately make that claim. The Hay Scheme, however, is well tried and tested. Members of the County Council's Evaluation Panel have been drawn from all departments. They have been trained by Hay Consultants and have had extensive practical experience of operating the Scheme. The training and experience, together with quality assurance checks by Hay, enables Panel members to make sound and consistent judgements on the grading of individual jobs.
23. As mentioned earlier in the Guide, job evaluation is concerned with ranking jobs in terms of their size (ie., score). The level of salary paid for these same jobs is an entirely separate matter.
23. The outcome for the majority of staff is positive. However, it would be unrealistic to expect that everybody will be satisfied with the outcome. Any job evaluation scheme worth its salt will bring change. A right of appeal is available to those who choose to exercise it and details of this appeal process are contained in the Implementation Booklet.
24. The probability is that the new grading system will operate in the County Council for many years to come. Under the new system, the grading of all jobs will be dealt with centrally through the County Council's Evaluation Panel. The hope is that, over time, employees will see for themselves greater fairness, discipline and order in the new system for grading jobs.