

the pay is less important. 2) NOT CLEAR LOOK AT LECTURE SLIDES type of internal labour market: Doeringer and Piore: craft market: barriers to entry relatively high, typically involving the attainment of a formal qualification, BUT once workers are established in the market, seniority and hierarchy become unimportant as jobs and duties are shared among the individuals concerned. certain pay rates are expected by those who have achieved the required qualification and it is accepted by everyone that this is a fair basis for rewarding people.

JOB EVALUATION

establishment of system which is used to measure the size and significance of all jobs in an organisation, each job being scored with a number of points, establishing in effect a hierarchy of all the jobs in the org, most knowledge and experience (great deal of responsibility)-least knowledge and experience required jobs(relatively low level of responsibility). Each job assimilated to appropriate grade and payment. Focus on worth of jobs and comparison of these rather than external (other companies pay comparison). Fairness and objectivity are core, wage budget divided among employees on the basis of the nature. size of the job by each employee. Usage of JE has increased recently (used in 40% in UK, higher proportion still in larger ones CIPD 2012). Well established from 1920 used, 165 1974 first, various types of income policies on it, permitted expenditure above the prevailing norm by companies wishing to use it. very widely used in the private sector as well. moreover few organisations abandon it, once introduced. –continue to hold true. popular. Not to be misunderstood following points have to be made: 1) concerned with the job not the performance of individual, individual merit not assessed. 2) systematic rather than scientific, depends on judge of people with experience, requiring them to decide in a planned and systematic way, does not produce results that are infallible 3) job evaluation does not eliminate collective bargaining where trade unions are recognised, determines the differential gap between incomes, does not determine pay levels or annual pay rises 4) only a structure of pay is produced, other elements (premiums, incentives) not determined by the method. Many methods used of job evaluation. Armstrong and Murlis (2007). Non-analytical “whole job” scheme – assessors examine each job (difficulty, value to the business) to determine which should be ranked higher, requires each element or factor of the job to be assessed, since 1988 practice of courts only to accept the results of analytical schemes in equal pay cases, most widely used ones based on points-rating system, each factor examined: skill, effort, responsibility, each factor given a weighting indicating its value relative to the others and for each factor varying degrees, then a score given depending on how demanding is the job in each factor, overall value determining the relative worth of each job- grade in the organisation’s pay structure. Lately computer assisted job evaluation systems – information gathered from job analysis questionnaires – process, point values plotted on a graph, or listed from highest to lowest, points ratings matched with cash amounts, decisions made on point ranges equate with various pay grades. on graph axis current salary, other number job evaluation points awarded. Salary-modelling software is widely available to help with this process. inevitable some jobs will be found to be paid incorrectly after evaluation, if evaluation says it should be higher it will be raised step by step or immediately. Problem: costs money introducing JE. when employee underpaid, cannot breach the pay without ending the employment contract, hence 2 options: 1) buying out: overpaid employee offered large lump sum in consideration of the fact of henceforth being paid at the new lower rate, 2) personal rate or red circling, continue to be paid at the present level but their successors are paid at the lower job evaluated rate.