

Position Evaluation

Objective: To establish a *consistent methodology* for equitably creating, modifying, and reviewing all positions. To establish *position hierarchy*, based on consistently applied internal and external measures.

Overview: Position Evaluation Systems act as the starting point for placement of all positions and create the resulting domino effect for all salary actions.

Position Evaluation Methods

1. **Market Ranking** - Positions are evaluated in direct correlation to their worth in the market. Salary surveys (which also measure and sort by company size, industry, geographic location and position design) are heavily used to determine placement.
2. **Internal Ranking** - Positions are ranked by their relative internal value, without regard in some cases, to determining if the position is above or below the external market.
3. **Whole-Job Ranking** - Compares a position by its overall content against all other positions in the company.
4. **Classification** - Positions are categorized in "job families" such as engineering, computer science, accounting, secretarial, etc., then slotted or ranked relative to other "job families"
5. **Factor Comparison** - Position content is measured against several specific factors (usually no more than four or five) then each job is *ranked* against every other job to establish a hierarchy.
6. **Point-Factor** - Compensable factors (such as education, experience, scope of decision making, scope of supervision, responsibility for safety, complexity, budget responsibility, equipment, communication, physical effort, working conditions, etc.) and a scale of defined degrees within each factor are used to determine the relative value of jobs. Degree levels carry point values ranking from low to high that reflect noticeable differences in positions. The relative score of positions to each other determines position hierarchy (including corresponding salary range placement).