The Hay Group Guide Chart-Profile℠ method of job evaluation

Purpose
This note has been compiled specifically to provide an overview of the Hay Group Guide Chart-Profile method of job evaluation.

What is job evaluation?
Job evaluation is a means of establishing differentials through ranking jobs. It originates in two concepts:

(a)   more complex or more responsible work should receive greater compensation than less complex or responsible work, otherwise there will be no incentive to acquire deep skills or assume responsibility; and

(b)   there should be like pay for like work within an organisation.

Ranking jobs in top to bottom order in a single function is not difficult. What is more difficult is to gauge the extent of the difference in the sequence. More difficult again is to relate a number of different functions together. Formal job evaluation methods were designed to overcome these difficulties.

There are a number of different types of job evaluation method. Some compare whole jobs; the majority look at factors or elements which are common between jobs such as knowledge, skills, experience, mental effort and responsibility. In the UK, in order to satisfy equal value requirements, an analytical method should be used. The Hay Group method is an analytical method and is based on the analysis of three main factors which are described in detail below.

Overview of the method
Developed by Edward N Hay (known as Ned), the Hay Group method was among the first analytical approaches to job evaluation. It built on the strengths of factor comparison, points rating and job ranking methods and is established on the principle that all jobs exist to make a contribution to an organisation's output/end result.

The aim of the Hay Group method is to bring consistent criteria to bear in establishing the relative worth of different jobs to an organisation. Consistency implies using the same elements against which all jobs are measured, however much they may differ.

In all types of organisation we have found that the value of jobs depends on a number of common elements. All jobs exist for a reason. That is to say that they exist to deliver something to the organisation. Therefore, the key role of job evaluation is to understand and measure these deliverables or outputs in the element Hay Group calls **ACCOUNTABILITY**.

For a job holder to be able to deliver Accountability, they need at least a minimum level of **KNOW-HOW**. That is to say, knowledge, skills and experience needed in order to deliver the Accountability (or results/outputs) which is linked to the role.

Finally, different roles need the Know-How to be used in different ways. They have different demands on the job holder for creativity, original thought and complexity. We call this **PROBLEM SOLVING**.

So, in evaluating jobs using the Hay Group method we are aiming to understand:
 'The *Know-How* required to *Solve* the *Problem* and deliver the output for which the job is *Accountable*.'

Guide Charts^{SM}

These three common factors are typically judged using a separate Guide Chart for each. The three main factors are further sub-divided into a number of dimensions and are designed as grids on which there is a numerical scale. The core grids are designed to cover the range of jobs that may be found throughout the economy. Jobs are located on the grid by selecting definitions which are most appropriate to the job under consideration. The intersect indicates a points or job units score for that element of the job. The total score is determined by adding the three separate scores.

Numerical scale

The nature of the points values used is another distinctive feature of the Hay Group method. The numerical scale chosen for use on the Guide Charts follows a geometric rather than arithmetic pattern. That is to say that the numbers themselves are directly proportional to each other in a geometric (percentage) progression, e.g. 100, 115, 132, 152. The reason for this is that we wanted to be able to show, for example, that an increase in job size from 100 to 115 points is proportionately greater than an increase from 1000 to 1015 points. This avoids the difficulty that in an ordinary progression, e.g. 1, 2, 3, 4, the numbers are in a constantly diminishing relationship to each other.

The step difference principle

Our aim in using a geometric numbering pattern for the reasons stated above was supported by empirical evidence – Weber's Law. Ernst Weber said, "in comparing objects we perceive not the actual difference between them, but the ratio of this difference to the magnitude of the two objects compared." That is to say that the observed difference between two objects is not absolute and independent of the objects themselves, but is relative to their size and is a constant fraction of one of them. This is expressed as a 'just noticeable difference' or 'step difference'. The step difference is the essential building-block of the Hay Group method, and thus the basis of the job evaluation scale. The Hay Group scale of progression (or step difference) is 15% and means that each judgement is given this constant relativity wherever it falls on the scale. This is common to all applications of the Guide Chart–Profile method.

The Hay Group method is a modified factor comparison method and this allows us to express, using the step difference principle the magnitude of each factor of a job evaluation in relation to the other factors in that job, and the relative magnitude of a factor in one job to the same factor in other key jobs.

Therefore, although the primary consideration is the scale and impact of the things for which the role is Accountable, the secondary consideration is the relationship within each role between Accountability, the Know-How requirement and the Problem Solving complexity. This relationship is known at the profile.

Profiles

Every job consists of the elements Know-How, Problem Solving and Accountability. Different jobs, however, draw more heavily from one or another. The Hay Group method has a further unique facility for checking the soundness of an evaluation by considering the shape or profile of the job. This is done by testing the distribution of the three elements of Know-How, Problem Solving and Accountability in the evaluation of each job to see if it makes sense, and relates to the nature of the role (accountable line manager, adviser, researcher etc.).

Process guidelines

It is not possible to measure scientifically the importance of the contribution of one job relative to another. Any job evaluation process involves an attempt to determine the relative importance, complexity and worth of a job to the organisation. Trained evaluators are therefore asked to apply judgement to identify and measure differences between jobs. Using judgements for the purpose of job evaluation is fine as long as those making the judgements share a common understanding of the role. The method provides a framework in which consistent judgements can be made.

In training and during panel sessions we recommend that evaluators adopt the following guidelines when evaluating jobs:
- Look at the ROLE NOT THE PERSON;
- Base judgements on FULLY ACCEPTABLE PERFORMANCE;
- DISREGARD CURRENT PAY AND STATUS;
- Evaluate the JOB AS IT IS NOW;
- Aim for CONSENSUS;
- NO UNDERSTANDING = NO EVALUATION!

Checks and balances

Both the recommended process and the method have a number of checks and balances built in to support the evaluation team. The method provides a framework for systematic judgement – it does not impose judgement. Ultimately, evaluation results cannot be said to be 'right', but they should be acceptable. If the evaluator understands and applies the sound principles built into the process, the evaluation panel will work more effectively and with better results. The checks and balances can be summarised as:

- Review of the short profile – a test of whether the evaluation result is a reasonable reflection of the nature of the job;
- Technical consistency – there are some combinations of factors and dimensions that make sense and are common, there are others that are less common but not unlikely and finally there are some combinations which are highly improbable. For example, it would be extremely unlikely and very risky for an organisation to design a job in such a way that the job holder was asked to make decisions about something they had no policy or process guidance on and where they had no knowledge, understanding or experience of the field. So, in simple terms we would not expect an evaluation to show a significantly higher level of decision making (freedom to act) than technical Know-How;
- 'Sorethumbing' and step differences – the evaluation rank order is reviewed to check for anomalies i.e. a team member evaluated at the same level or higher than their team manager. This is called sorethumbing. A key tool in this process is the just noticeable difference or step difference principle i.e. how small or large are the gaps between roles in the same team or department and does this make sense given what is known about typical career progression and promotion steps;
- Collective judgement – the evaluation results are not the partial view of one individual but the agreed output from a full analysis and debate amongst trained individuals who are knowledgeable about the method, the organisation, its structure and processes.

Finally, Hay Group engages in periodic checks of evaluations to ensure that any data submitted to our pay databases are in line with our expected standards and conventions. This is how we ensure like-for-like comparisons in salary surveys.

Equality matters

One of the main reasons for having a systematic process of job evaluation has been to enable pay to be managed fairly. In recent years, there has been growing attention to equal pay – particularly as research evidence has shown that there is still a large pay gap between men and women – and this has reinforced both the case for and scrutiny of job evaluation. This has led to questions about how the Hay Group method of job evaluation stands in relation to equal value.

Some organisations even use the term 'equality proofing', and ask whether we have equality proofed the method. We believe this term is potentially misleading. No system of job evaluation is immune to challenge and if a challenge takes place, there are no absolute guarantees of success in tribunal. While much attention has been focused on the inherent design features of different job evaluation methods, in our experience an equally important issue is the way in which they are applied and maintained over time. This is why we recommend the process guidelines and quality checks outlined above.

We are also sometimes asked if the Hay Group method has been approved by the Equality and Human Rights Commission (EHRC). However, the EHRC does not endorse systems or products developed by others, and did not put its seal of approval on Hay Group's or any other approach to job evaluation.

All organisations can do is select an appropriate analytical method; apply it using a process which is fair, thorough and practicable; and implement the grading and pay outcomes in ways which maximise the prospects of fairness and limit the risk of unfairness (and therefore challenge).

Testing through practical experience

The Hay Group method has been revised and adapted over the years but has been in use in some form since the 1950s. It is the most widely used job evaluation scheme in the world and independent surveys show that it is the leading method in the UK. This means that, far more than other systems of job evaluation, the Hay Group method has been subject to scrutiny and review.

The method has been implemented in thousands of projects in individual organisations, followed by a review of the outcomes conducted by the organisation, by Hay Group consultants or both. Because of its longevity, it has also been mentioned in court proceedings in the UK, Canada and the USA. It is not the job of courts to market proprietary job evaluation schemes, so there have been no ringing endorsements. However, there has been no criticism of the Hay Group method as a system of job evaluation, on grounds of gender bias or for other reasons.

In the UK, we are aware of three equal value cases where the job had been evaluated using the Hay Group method, and in none of these instances was there any criticism of the basic system. There are also a few cases where the Hay Group method was being introduced or had been suspended, and the tribunal acknowledged that, if the Hay Group method had been in full and proper use, the problem of comparability would not have arisen. An example of this is Diageo vs Thomson EATS/0064/03 where the tribunal concluded that the "study was deficient, as compared with a proper Hay Scheme."

Grading choices

In determining appropriate breaks for a grade or banding structure it is important to ensure that as far as possible there are clear, and easy to articulate differences between levels and that there is limited opportunity for 'boundary disputes' to arise.

Using the notion of just noticeable difference or step difference, there are in principle at least 15 clusters of distinct job size encompassing jobs on the shop floor through to head of function/department.

For practical, administrative, and flexibility reasons, few organisations would choose to have that many grades. So organisations often combine two or more clusters. Some organisations like to demonstrate reasonable consistency in grade width, e.g. with two clusters per grade. However, this is not always easily achievable and it is not essential.

It is more important that the definition of grades:
1. suits the structures and jobs;
2. reflects the value or worth of roles to the organisation (in terms of total points) and the importance of their impact on the 'core business;
3. clusters jobs that are similar in the same grade; and
4. separates jobs that are felt to be different.

Indicative job titles that may be found at each Know-How cluster:

50	General Kitchen Assistant
57	School Crossing Patrol
66	Clerical Assistant, Caretaker
76	Administration Assistant, Clerical Officer, Generic Clerical Worker, Library Assistant, Driver, Cook, Care Assistant, Home Help
87	Technical Assistant, Community Support Worker
100	Secretary, Accountancy Assistant, Assistant in Charge, Craft Worker, Day Service Worker
115	Team Leader, Admin Officer, Finance Assistant, Mechanic, Chargehand
132	PA, Technician, Senior Pensions Assistant, Community Care Worker, Residential Children's Worker, Enforcement Officer
152	Clerk of Works, Senior Technician, Legal Assistant, Domiciliary Services Organiser, Deputy Unit Manager, Principal Administration Officer
175	Librarian, Building Supervisor, Senior Technician, Pensions Officer, Finance Officer
200	Project Engineer, Surveyor, Senior Accountant, HR Consultant, Legal Executive, Policy Analyst, Care Manager, Social Worker , Unit Manager
230	Business Manager, Senior Surveyor, Senior Project Engineer, Principal Accountant, Solicitor, Lead Practitioner, Principal Trading Standards Officer
264	Senior Architect, Senior Project Engineer, Senior Solicitor, Service Manager, Team Leader
304	Head of Business Services, Principal Engineer, Principal Solicitor, District Manager, Trading Standards Manager
350	Area Manager, County Manager, Service Partner, Head of Finance. Head of function roles are typically at this level.
400	Core Systems Programme Manager, Assistant County Secretary, Head of Policy and Research AD roles are typically at this level.

The factors in more detail

Know How

The sum of every kind of knowledge, skill and experience – however acquired – necessary for standard acceptable performance in the role. The framework for judging Know How includes three dimensions, each of which has several defined levels:

- **Depth and range of Know-How**. The requirement for Know-How in practical procedures, specialised techniques, professional or scientific disciplines. This is normally judged against a scale of A to H, where A covers jobs that require core abilities to read, write and carry out basic calculations. H relates to world-leading authorities on deep and learned disciplines – usually a scientific or academic field.

- **Planning and organising** i.e. the requirement for planning, organising, coordinating, directing, executing and controlling over time. This is normally judged against a scale of 0 to IV, where 0 does not involve, or indeed, need any forward planning or prioritising because it is not necessary, or because the system or process sets out the order. IV relates to roles that plan, prioritise, integrate and organise all aspects of all activities in a functionally complete organisation in the UK on a strategic time horizon. So, the Chief Executive of a small district council might fit at III whereas the Chief Executive of a global enterprise might fit at VI or VII.

- **Communicating and influencing,** i.e. the skills needed to communicate with and influence individuals and groups, within and outside the organisation to achieve results. This is normally judged against a scale of 1 to 3 where 1 involves normal, day-to-day communications and the passing and receiving of information and 3 relates to situations where job objectives couldn't be completed without influencing others and ultimately, changing their behaviour and/or motivation.

Detailed judgements can be adjusted by adding a + or – to the dimensions. So, for example, a job which matches the definition for D, but which in comparison with other jobs at D requires more detailed knowledge, a broader range of knowledge/understanding, across a wider range of more complex matters – or a combination of these – would be evaluated at D+.

The evaluator takes a view on how the role fits each of these criteria, locates the point on the Guide Chart where they intersect and this produces a composite score for Know-How.

Problem Solving

The thinking required for analysing, evaluating, reasoning, arriving at and drawing conclusions. The framework for judging Problem Solving has two dimensions, each of which has several defined levels:

- **Thinking environment**, which assesses the extent to which thinking is determined by its context (sector environment, organisation policies, guidelines, procedures or even rules, etc.) – judged on a scale of A to H. A is used for jobs where there is no scope for thinking about what should be done, how it should be done, the order in which it should be done and by when. H is reserved for those few roles that are constrained only by laws of nature and science, public opinion, business philosophy and cultural values.

- **Thinking challenge**, which assesses the complexity of the problems encountered and the extent of original thinking needed to arrive at conclusions (judged on a scale of 1 to 5). Level 1 covers jobs that face highly repetitive situations where a very small number of challenges are faced and the solution is the same each time. Level 5 covers a relatively small number of jobs where the challenges have not been faced before, there are few, if any direct precedents and novel or path-finding solutions need to be invented.

As with Know-How, + or – modifiers can be used to adjust the score on the Problem Solving dimensions. This is dependent on the strength or weakness of the job content when compared with the scale definitions and the other jobs which have been deemed to fit the definitions more directly.

Again, as with Know-How each dimension is rated against the two scales, and the composite rating (PS%) located on the Guide Charts where the scales intersect.

Problem Solving measures the intensity of the mental process, which employs Know-How to (1) identify, (2) define, and (3) solve a problem. "You think with what you know." This is true of even the most creative work. The raw material of any thinking is knowledge of facts, principles and means; ideas are put together from something already there. Therefore, for evaluation purposes, Problem Solving is expressed as a percentage utilisation of Know-How.

Using a ready reckoner set out as a grid the evaluator locates the Problem Solving score at the intersect of the Know-How score and the Problem Solving percentage.

Accountability

The extent to which a job is answerable for actions and their consequences. The framework for judging Accountability has three dimensions, each of which has several defined levels. They are shown in the order of importance:

- **Freedom to act**, which assesses the absence or presence of discretion in making decisions or taking action. It combines this with the extent to which decisions are actions are scrutinised or checked and the length of time before the consequences of those actions are likely to become apparent. In most organisations it is measured on a scale of A to H. At level A, there is no scope to take any action other than that which is set out in detailed instructions or rules. No deviation is permitted without first seeking permission. At level H jobs have a mandate to work with external stakeholders to decide on the strategy and direction of the entire organisation. Generally speaking, H level jobs are to be found only in free-standing organisations.

  Nature of impact is concerned with the type of impact that the role has on objectives or outputs. It is measured on a 4 level scale comprising R (Remote), C (Contributory), S (Shared) and P (Prime). This is intended to reflect the proximity of the role to the end results being achieved. So, R covers roles where the activities may be complex but the impact on the overall organisation is either relatively minor, or after the event. C relates to roles that give advice, support and/or enable others. S involves partnership, matrix and/or project working and P is for roles that have sole direct and controlling impact on a particular end result.

- **Area of impact**, which gauges how much of the organisation the job has the defined degree of impact on. It is generally measured on a scale of 0 to 4 where the part of the organisation concerned is described (4 – whole organisation, 3 – major directorate, 2 – department/function/service, 1 – team, 0 – individual or not-quantified) or where this is converted into the financial dimensions that relate to the particular organisational unit (e.g. 4 = whole organisation or the total budget as measured in £Sterling).

- **Indeterminate/Individual (Not-quantified) area of impact** Some roles are evaluated at 0 area of impact and a nature of impact letter (A, B, C or D) allocated. This combination is used when jobs do not seem to have an impact on any particular part of the organisation, or it varies depending on the nature and size of the projects they are involved with. Rather, what is important is the quality and/or intensity of the impact they have or the support they provide. It can also be used in administrative roles where the part of the organisation impacted is quite clear (e.g. an accounts payable administrator impacts on all invoices processed) but where a change in the size or scope of the part of the organisation would have no direct effect on the processes, systems, accuracy targets, deadlines, etc. that relate to the job. This would generally be because the accounts payable administrator does not decide or have any control over the value of the invoices being processed and the standards of accuracy, timeliness, etc. that apply are the same regardless.

Since Accountability is scored in the same way as the first two factors – i.e. the points located at the intersect of the three dimensions chosen, it often happens that the two options chosen give the same score (e.g. D4C, D3S and D2P all give 132 points). Therefore, the evaluators must use the evidence in the job documentation to assess the combination of nature and area of impact that best reflects the purpose of the role.

Again, as with Know-How and Problem Solving each dimension is rated against the scales, and the composite rating located on the Guide Chart where the scales intersect.

Arriving at a total score

The evaluator adds the scores for the three factors to produce a total job size. There are also consistency checks to be done, to ensure the evaluation line describes the type or shape of the role in a coherent way, and relativity checks, to ensure that the conclusion makes sense in comparison to evaluations of other roles. Either of these sets of checks can lead to adjustments in the evaluation.

The overall evaluation lines produced by this process make little sense at first glance, but are a form of language with which trained and experienced assessors become very familiar.

Quality checks

Having arrived at a total score, the panel will then engage in a series of quality and sense checks to ensure that the evaluation is an appropriate reflection of the nature and content of the role and its position relative to other roles in the structure. The first of these checks is to calculate the short profile. Other checks include inspecting the rank order of total scores to whether, for example, a team manager and team member are a reasonable distance apart (i.e. in a typical pyramid structure it would not be logical for a team member to be evaluated at the same level or higher than the manager).