



# JOB EVALUATION PRACTICES: A COMPARATIVE STUDY OF SELECT PUBLIC AND PRIVATE SECTORS

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## ABSTRACT

*Job evaluation is a necessary process for organizational performance. This study aims to investigate job evaluation practices in a sample of public and private sectors. Data were gathered from a convenience sample of 1000 respondents using a standardized questionnaire, and techniques such as percentage analyses, ANOVAs, and independent t-tests were utilized. The ANOVAs revealed a strong connection between job evaluation practices and an equitable salary structure; job evaluation practices showed a significant relationship with employee motivation and performance. The findings indicated that job assessment techniques and employee motivation and performance variables exhibit substantial mean variations between the public and private sectors studied.*

**KEYWORDS:** Motivation and Performance, Job evaluations, Employee, Public and Private sector

## 1. INTRODUCTION

Job evaluation attempts to examine operations over time. Assessing employees' strengths and shortcomings helps companies make more educated choices (Ivibhogbe, 2005). It provides a structure for enabling organizational development and productivity by recognizing prospective high-level managerial talent (Abiodun 1999). By ensuring worker errors are reduced, assessments tools help improve job performance accuracy. Evaluation is to discover specific achievements in all areas of work and assessment that boosts workplace productivity. Workers' efficiency and efficiency boost employee morale; thus, quantifying it would be challenging. Employee morale may be assessed by various variables, including conflicts, accidents, labor turnover, absenteeism, and sickness. Additionally, it is accessed via organizational records, observation, attitude surveys, and performance coaching (Obisi, 1996). Employees are grateful to get objective evaluations that fully portray their work performance. The employee may discuss his rating. Objective evaluations reduce disagreement, which allows performance assessment to help with performance goals. Poor employee performance may cause organizational growth and development to suffer. Job evaluation must offer feedback on current

performance to help employees enhance their present and future performance. Employees must be informed of the assessment findings, interpretations, and suggestions. Understanding how they stack up in the perspective of their superiors and the organization helps. Until employees realize their actual level of productivity, they will have no idea how much effort is required to increase their productivity (Flanaholtz, 1994). Job evaluation often involves human biases since humans are known to be more inclined to commit errors while doing an assessment. Man utilizes mistakes to exhibit norm clarity, moderation, the halo effect, homophile, and central tendency. Similarly, Abiodun (1999) observes a natural inclination for raters to be influenced while giving a rating to another element. If a rater receives the sense that a man is good, he will rate him highly in all areas. One extraordinary positive or bad incident or feature may influence the rater's evaluation of the employee. Raters are prone to get carried away or impressed by one particular feature or behavior of the employee. Raters' prejudice on such qualities may be harmful to the entire process. A universal evaluation in which all those examined is often graded as "not very good" or "not too terrible" (Abiodun, 1999).



## 2. REVIEW OF LITERATURE

The organization's objective is to make the most meaningful use of its personnel resources to help it reach its strategic goals. Companies that ignore employee evaluation forfeit efficiency, quality production, creativity, and effective response to market and consumer needs (Braton & Gold, 2007). The business may improve via benchmarking, indicating a potential for growth and success. Human resource evaluation is the most critical for a company's future success. The burden is on HR to demonstrate its value to the firm and stakeholders in today's competitive business environment. One must analyze human resource management practices defining corporate objectives and capacities to seek, attain, and exceed those aims. Therefore, businesses should evaluate employees' capacity to offer services for consumers.

In the evaluation by Bratton (2007), the entire human resource management and all of its processes are evaluated. It is evaluated according to how successful, efficient, productive, and organized HRM is. HRM and its effects must be examined because of the following reasons. The HR department may acquire credibility and legitimacy by proving the value of HR management efforts. It is controllable and amendable (Mwendwa, P. 2011). Third, HRM evaluation provides top management and HR professionals input, enabling them to detect possible problems and weaknesses. Senior management involvement is required in an organization for job evaluation (Rynes, 2009). He claims that top management has to understand the significance of evaluation to make it happen. Educating and instilling top management on the value of job assessment is essential to ensure job evaluation. Senior management's attitude toward the evaluation process has a significant impact on how the evaluation will be conducted inside the business. Hayton (2005) states that four approaches of HRM's effectiveness might be combined into a model. Best practise models, fit with the company, benchmarking with excellence, and employees and management' perspectives. Employee evaluations by themselves do not directly correlate to organisational objectives and values. Several opinions exist around the impact of job assessment. HRM effectiveness may be evaluated on two aspects, according to Gibb (2000). The other component looks at how HRM effectiveness is focused on being internal or external to universal norms.

The participation of the HR manager in the job assessment strategy should be a significant input into the job evaluation process. So, it is critical to include everyone inside a company in the job assessment process to ensure intended outcomes are

attained. A job assessment is sufficient if it is continuous. Periodic monitoring, coaching, counselling, feedback, and record-keeping are essential. Consequently, performance issues are detected and addressed early before creating delay and inefficiency. As a tool to improve employee performance or preserve excellence, the work assessment findings should be provided regularly to the individual. Fletcher (2008) remarks that job assessment should be done with defined company goals in mind. Supervisors should spend time monitoring an employee's progress for a year or keeping comprehensive notes. This situation does not need consulting memory, which is more accurate and more reliable in the months coming up to the assessment than in the previous era. To accomplish this goal, employees and supervisors should have numerous interactions throughout the year, with no fixed evaluation periods. An issue has to be known before the yearly review to avoid unpleasant surprises. By 1900, job evaluation was developed as a management technique. It became one of the tools that managers employ in understanding and managing businesses. The early theorists of organizations focused on how professions fit within organizations. However, this early focus on employment analysis disappeared as the human relations movement turned its attention to other issues. Psychologists and other behavioural scientists had not rediscovered work as a study subject in organizations until the 1960s (Aseka, 2002). The United States Labor Department has the longest-term role in the employment evaluation (DOL).

Many factors influence job evaluation, according to ACAS (2000). Some understanding of the incumbent, job control, day-to-day interactions, physical surroundings, and decision-making are included. Job assessments are almost entirely dependent on labour market data. In the example, the job evaluation method uses market rate information on a significant portion of the organization's work, then contrasts it with a 5% graded scale. These schedules span intermediate areas and range between 30% and 60%. To have a job, one should use the wage rates in the market. An extra degree may be used to satisfy internal interactions. Important professions are categorized, and everything else is listed beside.

Bernadin and Russell (2003) have suggested that an evaluation system should be implemented to help fulfil the specified goals. A complete evaluation collects data from many sources, including user input, validity, discriminating power, and negative effect. The evaluation system depends on such attitudes and answers for ultimate efficiency. The assessor should be questioned if the system is easy to use and whether the job content is included. It is



equally critical that these students be queried about their training and available time for exams. Yoder and Staudohar (2002) highlight the role of emotions and sensitivity in assessing contributions and skills. Workers have many questions and misunderstandings about the evaluation method, which may impact their performance. Knowledge of attitudes employees uses to oppose or increase feelings favorable to the system. It is complete. Davis and Newstrom (2003) say that people strive to achieve their ambitions behind common objectives. Management's premise is that some people want to fulfill requirements by using the work, and if they are encouraged, they will. Subscribers are encouraged to provide anonymous feedback on their supervisor's performance. This approach allows senior managers to identify potential personnel problems, and if necessary, to diagnose and improve management styles. It should not be simply a top-down process. Ratings are helpful when they are used to evaluate the development ratio.

### 3. OBJECTIVES

- To promote a fair and accurate consideration of all employees for advancement and transfer.
- To provide factual basis for consideration of wage rates for similar jobs in a community and in an industry.

### 4. HYPOTHESES

- **H01:** There is no significant relationship between job evaluation technique and equitable salary structure
- **H02:** There is no significant relationship between job evaluation programme and employee motivation and performance
- **H03:** There is no significant relationship between job evaluation technique and equitable salary structure across the study sector

## 5. METHODOLOGY

**Table 1 Methodology**

Sample size	1000 Respondents (Public sector: 500 and Private sector: 500)
Sample area	Hyderabad, Telanagna
Sample	Employees of Public sector (Canara Bank and TS Diary Farm ) and Private sector (ICICI Bank and Heritage )
Sampling methods	Non- probability sampling method i.e, Convenience sampling Method
Data collection	Primary data and secondary data
Data collection tools	Survey and interview methods
Statistical tools	ANOVAs, independent t-test
Soft ware	SPSS 23.0 Version, Ms-Word, Excel and power point

## 6. DATA ANALYSIS AND INTERPRETATION

**Table 1 Respondents Socio economic profile**

Age		
	No of Responses	Percentage
18-25 Years	414	41.4
26-33 Years	269	26.9
34-41 Years	229	22.9
42-50 Years	46	4.6
51-60 Years	42	4.2
Gender		
Male	834	83.4
Female	166	16.6
Education		
Degree	174	17.4
PG	540	54.0
Professional/Mtech	185	18.5
Ph.D	55	5.5
Others	46	4.6
Experience		
0-5years	571	57.1
6-10 Years	166	16.6



11-15 Years	188	18.8
16-20 Years	33	3.3
21-25 Years	42	4.2
<b>Salary structure (In Rupees)</b>		
Upto 25,000	281	28.1
26,000-40,000	311	31.1
41,000-60,000	161	16.1
61,000-80,000	40	4.0
Above 80,000	207	20.7
<b>Working sector</b>		
Public Sector	500	50.0
Private sector	500	50.0
<b>Total</b>	<b>1000</b>	<b>100.0</b>

Source: Authors finding

It is found that 41.4 percent of the respondents aged between 18-25 years, 26.9 percent of the respondents aged between 26-33 years, 22.9 percent of the respondents aged 34-41 years, 4.6 percent of the respondents aged between 42-50 years and 4.2 percent of the respondents aged 51-60 years and above; 83.4 percent of the respondents were male respondents, and the remaining 16.6 percent of the respondents were female; 54% of respondents belong to Post Graduation. Followed by 18.5 percent of the respondents belong to Professional/Mtech, 17.4 percent of the respondents belong to degree, 5.5 percent of the respondents belong to Ph.D, and 4.6 percent belong to others; 57.1% of respondents belong to 0-5 years. Followed by 18.8 percent of the

respondents had 11-15 Years of experience, 16.6 percent of the respondents had 6-10 Years of experience, 4.2 percent had 21-25 Years of experience, and 3.3 percent had 16-20 Years of experience; 31.1 percent of the respondents earn monthly income level is 26,000-40,000 rupees. Followed by 28.1 percent of them earn Up to 25,000 rupees, 16.1 percent of them earn 41,000-60,000 rupees, 20.7 percent earn Above 80,000 rupees, and 4 percent of them earn 61,000-80,000 rupees monthly; 50 percent of the respondents worked in the public sector, and the remaining 50.0 percent of the respondents worked in the private sector.

**Table 2 Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.782	0.775	10

Table 1 indicated that the questionnaire was checked for its reliability and provided the findings below. The questionnaire produced is pre-tested and checked by face validity as it has been sent to a carefully selected sample of experts and also has a sufficiently good reliability score. The result was given the value of 0.782. It means that the data has a high degree of reliability and validity.

### 6.1 ANOVA

It is conducted for comparing the means from two selected variables, with respect of employee responsibilities and salary structure has been considered for the study is explained in the table.

**H01: There is no significant relationship between job evaluation techniques and equitable salary structure**

**Table 3 ANOVAs**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	79.183	4	19.796	13.153	.000
Within Groups	1497.533	995	1.505		
Total	1576.716	999			



Table 3, results reveals that job evaluation factors show that 79.183 is the between-group variation in the population. 1497.533 is the variation within groups of variation. It also shows that F-distribution and its value 13.153. Finally, the results

reveal that the job evaluation factor's significance value has less than the p-value. Thus, it concluded that there is a significant relationship between job evaluation program and equitable salary structure.

**H02: There is no significant relationship between job evaluation programme and employee motivation and performance.**

**Table 4 ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	515.207	10	51.521	101.632	.000
Within Groups	501.356	989	.507		
Total	1016.563	999			

Table 4 results reveals that job evaluation factors show that 515.207 is the **between-group** variation in the population. 501.356 is the variation **within groups** of variation. It also shows that **F-distribution** and its value 101.632. Finally, the results reveal that the job evaluation factor's significance value has less than the p-value. Thus, it concluded that there is a significant relationship between job evaluation program and employee motivation and performance.

**6.2 Independent t - Test**

The Independent Samples *t-Test* compares the means of two independent groups to determine whether there is statistical evidence that the associated population means are significantly different. The Independent Samples *t-Test* is a parametric test.

**H03: There is no significant relationship between job evaluation technique and equitable salary structure across the study sector**

**Table 3 Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Job evaluation factors	Equal variances assumed	43.303	.000	-3.296	998	.001	-.20509	.06222	-.32720	-.08299
	Equal variances not assumed			-3.808	990.090	.000	-.20509	.05386	-.31079	-.09940
Employee motivation and performance	Equal variances assumed	129.541	.000	-6.685	998	.000	-.38857	.05813	-.50264	-.27450
	Equal variances not assumed			-7.902	997.876	.000	-.38857	.04917	-.48506	-.29208

The *p*-value of Levene's test value is ".000" ( $p < 0.001$ ), so the researcher has rejected the null of Levene's test and conclude that the variance in Job evaluation factors is significantly different from that of public and private sectors. Similarly, employee motivation and performance factors show significant mean differences among the two selected sectors

because of sig. Value is less than the p-values. Thus hypothesis is rejected, and the alternative hypothesis is accepted.

**CONCLUSION**

As the research results demonstrate, job evaluation is essential for organizational growth and



improving workplace efficiency. According to the study's findings, employee motivation and performance were significantly associated with job evaluation programmes. Job evaluation programmes were also found to be significantly associated with employee motivation and performance. The study's findings indicated that job assessment techniques and employee motivation and performance variables exhibit statistically significant mean variations between the public and private sectors.

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