

In depth study on Simple ranking method in Job-Evaluation Techniques

^[1] Arundhathi GSri krishnadevaraya Institute of Management (SKIM), Sri krishnadevaraya University (SKU),
Ananthapuramu, AndhraPradesh

Abstract: - Indian I.T industry has played a key role in putting our country on the global map. India's IT potential is on a steady march towards global competitiveness, improving defence capabilities and meeting up energy and environmental challenges amongst others. The IT sector has been India's sunshine sector for quite some time now. Therefore, a huge competition has taken place between organizations in IT sector where attracting and retaining personnel has become a major challenge. Human resource management is called as human capital as well as a social capital. Because, the skills, knowledge and experience of each individual contribute to the growth of organizations, communities and nations. Such valuable human talent is a human capital and is one of the primary requirements for national economic development.

I. INTRODUCTION

Human resource management should be in a position to establish a payment plan, basic factors in determining pay rates, job evaluation methods, how to create a market-competitive pay plan, pricing management and professional jobs. Because the best strategic pay plans, policies and practices directly or indirectly motivate the employees to improve their skills and performance required to achieve company's strategic goals.

Equity Theory of Motivation:

A good and fair compensation structure always encourages the employee to contribute more to his organisation and he is always motivated to maintain the balance between his contribution and the rewards. Equity theory of motivation states that if an employee receives an inequity, he will develop a depression and which will lead to lower performance levels. Research supports equity theory, particularly it applies to those underpaid

- External Equity is refers how a job pay rate in one company compared to other companies.
- Internal Equity refers to how fair the job's pay rate is when compared to other jobs within the company
- Individual equity is nothing but the fairness of an individual's pay rate compared with colleagues.
- Procedural Equity refers to the "perceived fairness of the processes and procedures used to make decisions regarding the allocation pay".

NEED FOR THE STUDY

The Indian Software Industry has grown from a mere US \$ 150 million in 1991-92 to US \$ 5.7 billion in 1999-2000 to a staggering US \$ 47.3 billion in 2008-2009. Indian information technology (IT) industry has played a key role in putting India on the global map, hovering to become a US\$

225 billion industry by 2020. Therefore, in this study an effort is made to measure the process of Job Rotation and its impact on organizational performance in Indian IT sector and specific recommendations are made for improving the quality of Job Rotation and organizational performance. This study is based on the statistical analysis of data collected from IT firms situated in and around Hyderabad and Bangalore cities. An attempt was made to review the related literature in respect of the Job Rotation and its impact on organizational performance. The end result of this review is to formulate a conceptual framework regarding the selected topic of research.

II. REVIEW OF LITERATURE

Kevin D. Neuman (2014): The present study is a comparative analysis of employees from manufacturing firms of United States and China in relation to different job related characteristic especially training on employee morale. The study deals with the effect of adequacy of training on employee morale. The data has been collected through a survey from 1,719 union and non – union workers, working in medium sized companies. Six different places of United States and two locations of China have been selected to carry out the study. From the study it is seen that training had greater impact on improving morale of employees working in China compared to employees working in United States manufacturing companies. The reason behind is that the jobs offered in United States are often short duration compared to China. United States. Hayes & Ninemeier (2013) in their article states that there is more competition between companies. It is more like a responsibility of a company now to design or provide a career growth path for its employees in order to hire and retain them. Companies go further ahead now providing the opportunities to its employees for career development in the hope for loyalty and better output. So, in this age of dynamism, managing your career or career

International Journal of Science, Engineering and Management (IJSEM)
Vol 3, Issue 1, January 2018

management is very important. Anon (2013): In current scenario, an employee's career development doesn't restrict to organization. If his current organization doesn't provide him/her much chances or career progression, there are other organizations that are willing to offer same or higher position and employees may shift to those organizations on same or higher position which is also a part of their career development. The difference between the successful professionals and others is not lack of strength or knowledge but the lack of will. Until the employees are proactive, companies cannot do anything about their career development. Chawla (2012) After studying the career development, career path, employee engagement and other aspects to some specific Indian hotel companies, says that they have realized that Indian companies have adopted a lot of new and unique concepts, techniques and are offering a lot more now but still there is a long way to go. Indian Organisations may be at par with the international countries but the management system is still same old in many organizations. The author says that the major challenges of Career development need to be addressed in order to fight current problems like attrition rate, poor output etc, which can be used as the base for suggestive corrective actions that need to be taken. Jennifer Bellot (2011) reviews the development of the concept of organizational culture and methods for assessing organizational culture, focusing on the healthcare environment. The author states that the concept of organizational culture remains controversial as conflicting definitions, lack of semantic clarity and debate over the most appropriate methods for assessing organizational culture have led to disagreement over the value and validity of such inquiry.

Liette Goyer – (2010), in his Career Development in SMEs presents a portrait of career development practices offered in the workplace, specifically within Canadian small and medium-sized enterprises (SMEs). In addition to describing the goal of the literature search and the method used, it looks at the SME context in relation to training, continuing skills development among the employed, and the role of managers and outside consultants working in career development. It reviews various organizational practices aimed at supporting professional development and retention that may be beneficial or risky for both working persons and enterprises.

• **SCOPE OF THE STUDY:** The present study limits its scope to Job Evaluation Practices which are a pre requisite for effectively dealing organizational problems that are manifestation of the external forces like competition, technological advances, mergers, etc. The geographical regions chosen for the study are Hyderabad and Bangalore cities, in India as the Information Technology industry in

these regions are registering an annual growth rate, and abundance investment in human capital due to stiff competition. The period of the conduct of study is between the years 2012-16. The sample respondents for the present study consist of male and female employees working in the IT industry during the period in these regions. The term change agent or catalyst is synonymous with the notion of a leader who is engaged in leadership - a transformative or effectiveness process - as opposed to management, a more incremental or efficiency based change methodology.

III. STATEMENT OF THE PROBLEM

Parameters employed for measurement of development in all organizations depend on Physical, Human, Financial, and Information resources; however, in the process of organizational employees' development, employees do encounter problems that are resultant of the above forces. Handling or solving these problems relating to Equity theory of motivation and to maintain cordial and harmonious relationships within the organisation, in order to retain the right talent.

OBJECTIVES OF THE STUDY

1. To assess intensity of Simple Ranking Method in Non-Analytical Methods of Job Evaluation in IT industry at Hyderabad and Bangalore.

Job evaluation - Ranking Method

The simplest method of job evaluation that involves ranking each job relative to all other jobs, usually based on overall difficulty. This method is considered to be the simple form of job evaluations compared to other methods. All the jobs in the organisation are compared based on the complexity or difficulty, from the simplest to the hardest or from the highest to the lowest in their complexity. Human resource associates or consultants rank jobs in an organisation based on the education qualification and complexity of the job. Then they will ascribe highest pay for highest ranked job. The hierarchy of a company organization chart is a visual example of the ranking method. This is the least expensive method and does not consume much time and also suitable for the small business firms with tight budgets. There are several methods in job ranking method.

1. Obtain job information The primary step in ranking method is Job analysis. It is the process of analysing and describing jobs to bring out the aspects which can be used for the purpose of job comparison. Here, Job descriptions and job specifications are gathered, the information they offer is usually a base for ranking jobs. Ranking method ranks each job based on the whole jobs, rather than on several

International Journal of Science, Engineering and Management (IJSEM)
Vol 3, Issue 1, January 2018

compensable factors such as problem solving, decision making which are not important under this method.

2. Selecting and grouping jobs Once the information is gathered, it is impractical to accord single rank for all jobs in the organisation. Hence, Identifying the bench- mark jobs and ranking them according to the departments and functions(such as factory workers and clerical workers) becomes pertinent. This eliminates direct comparison of jobs. The process of choosing and ranking bench-mark jobs should produce a framework for ranking the remaining jobs by comparison with one or two bench-mark jobs to which they are related.

3. Select Compensable factors The job evaluation committee further resolves on the factors on which the job needs to be evaluated. Conceptually and more so conventionally under ranking method consideration and comparision of a job is always on a single factor (such as job complexity) for the purpose of ranking jobs based on the whole job rather than several compensable factors (such as problem solving, decision making). Regardless of the number of factors we choose, it is advisable to train the evaluators on the guidelines carefully so that they can evaluate the jobs consistently and fairly.

4. Rank jobs There are no precise formulae for conversion of the results of a ranking exercise into monetary values. The raters will rate the jobs based the complexity of the jobs

5. Combine ratings The evaluators usually rate the jobs individually. Then the rating committee can average the raters ratings. The variation in payment of salaries depends on the variation of the nature of the job performed by the employees.

Fig 1.5: Job Comparison Matrix

	Cost Clerk	File Clerk	Addresso-Graph Op.	Ledger Clerk	Junior Typist	Order Clerk	Mes-senger	Total
Cost Clerk								
File Clerk								
Addresso-graph Op.								
Ledger Clerk								
Junior Typist								
Order Clerk								
Messenger								

Source : dlc.erieri.com,A job comparison matrix

The ranking method is simplest method, as well it's easiest to explain and practice and it also consumes very less time. Although this method is simple and can prove effective, its analytical system does not determine the accurate results because this will not consider the other compensable factors

associated with each job, such as the value of the job to the individual organization or experiential competencies necessary to properly perform the job. Similarly, ranking does not provide any yardstick for quantifying the value of one job relative to another. Therefore, this method is usually more appropriate for smaller organizations who can't afford the time or expenses of developing more elaborate system. Its simplicity, however, works to its disadvantage in big organizations because rankings are difficult to develop in a large, complex organization. Moreover, this kind of ranking is highly subjective in nature and may offend many employees.

IV. METHODOLOGY

This study mainly aimed at finding the facts, which falls under descriptive study.

The method adopted to collect data is questionnaire method.

SOURCES OF DATA:

Both primary and secondary data were collected.

• Primary Data:

The primary data for this study has been collected through administering questionnaire to the Employees of the respondent units.

• Secondary Data:

Secondary data for this study has been collected from company literature, books, journals, magazines, newspapers, previous research works and the internet.

Sampling Plan: The sample IT industries selected for the study is confined to the geographical region to Hyderabad and Bangalore cities. Further, the employees of the Information Technology firms are drawn as sample respondents they are also drawn from various levels of the firms.

Sample Universe encompasses all Male and Female employees of the IT units located in Hyderabad and Bangalore cities.

Sample size

It is a proportional representation of the employee density at a given location, firms and their various hierarchical levels. The research study by NASSCOM confirms a 20.3% and 10.7% of IT industrial location representation for Bangalore and Hyderabad respectively. 'Report of India Law offices' too confirms the same. These reports form the base for fixing the sample size of 505 and 272 for Bangalore and Hyderabad respectively.

International Journal of Science, Engineering and Management (IJSEM)
Vol 3, Issue 1, January 2018

<i>Location Gender</i>	BANGALORE	HYDERABAD	Total
MALE	361	189	550
FEMALE	144	83	227
Total	505	272	777

Sampling Technique The process of drawing sample respondents from the sample universe is known as sampling technique, among many techniques available Clustered sampling is employed for the purpose since it is more appropriate as the sample respondents are distributed in different IT locations in Hyderabad and Bangalore clusters. Convenient sampling is applied for drawing the samples from the clusters, the organizational setting of the employee pre determines the suitability of the sampling technique making the exercise more meaningful, appropriate and relevant.

DATA Sources:

Questionnaire method was adopted to collect the data. The researcher administered questionnaire to each of the six firms of both the cities selected for the study.

V. LIMITATIONS OF THE STUDY

This study had the normal limitations of funds, time and other constraints commonly faced by single researcher. These limitations led to the purposive selection of only six Companies situated in Hyderabad and Bangalore as the locale of the study.

Data Analysis:

Questionnaire method was adopted to collect the data. The researcher administered questionnaire to each of the six firms of both the cities selected for the study.

Primary Data

Plays a crucial role in descriptive research and it forms the base for empirical analysis, which is the characteristic of this research whose other name is empirical research. The primary data is a vital input for empirical analysis which is a crucial stage in research and precedes findings, subsequently leading to conclusions. Besides, primary data forms the empirical base/evidence for all the research findings and conclusions. Source of primary data in the present research is 'Questionnaire', which are offered to respondents with a request to fill the questionnaire, by marking on the scale to indicate the intensity by simply ranking on the scale.

Secondary Data

Provides the ignition required for the research, besides it also lends the direction to the research by developing meaningful relationship among various elements of secondary data, which subsequently result in formulation of appropriate hypotheses. Today the major source of secondary data is worldwide web which is ushering a transformation in industries and daily lives, including the research activity. The other source of secondary data is print media comprising Magazines, Journals, Trade Journals, Tabloids, Publicity, Advertising and Sales Promotion material, survey reports and reference books etc. The other source of secondary data pertaining to Bangalore and Hyderabad cities were collected from various government publications and records; the major source of secondary data being Census of India 1991, 2001 (provisional results), District Statistical Centre and Collectorate.

STATISTICAL TOOLS APPLIED FOR ANALYSIS
SIMPLE RANKING METHOD

Cumulative Weighted Average is used to describe the profile of the respondents and their behavior in the various stages of Job Evaluation practices.

Chi-Square Test: is used for the purpose of testing the influence of one variable on the other. The test has been administered to study the influence of the demographic variables, personality trait and attitude of employees.

Objective: 1

To assess intensity of Simple Ranking Method in Non-Analytical Methods of Job Evaluation in IT industry at Hyderabad and Bangalore.

Table 4.1: Simple Ranking Method – Age Wise		
Element	Bangalore	Hyderabad
Element	CWA	CWA
Duties in your job comparatively	2.82	2.75
Job completion time comparatively.	2.85	2.72
Work load in your job comparatively.	2.87	2.75
Responsibilities in your job comparatively.	2.79	2.68
Demands in your job comparatively.	2.78	2.62
Significance of your job comparatively.	2.76	2.64
Appraisal of your job comparatively.	2.74	2.66
Average	2.80	2.69

Source: Questionnaire CWA: Cumulative weighted Average

International Journal of Science, Engineering and Management (IJSEM)
Vol 3, Issue 1, January 2018

Table-4.2: Chi Square Test- Simple Ranking Method - Age Wise

Element	Computed Value	
	Bangalore	Hyderabad
Duties in your job comparatively	32.887	32.600
Job completion time comparatively	7.086	26.739
Work load in your job comparatively.	38.108	36.162
Responsibilities in your job comparatively.	41.416	6.554
Demands in your job comparatively.	38.038	9.417
Significance of your job comparatively.	11.040	32.896
Appraisal of your job comparatively.	35.823	34.955

Significance Level: 5, Degree of Freedom: 20, Table Value: 31.410

Table-4.3: Simple Ranking Method – Gender Wise

Gender	Bangalore	Hyderabad
	CWA	CWA
Duties in your job comparatively	2.82	2.71
Rank your job completion time comparatively	2.80	2.68
Work load in your job comparatively	2.78	2.66
Responsibilities in your job comparatively	2.76	2.62
Demands in your job comparatively	2.74	2.59
Significance of your job comparatively	2.73	2.59
Appraisal of your job comparatively	2.71	2.53
Average	2.76	2.63

Source: Questionnaire CWA: Cumulative weighted Average

Table-4.4 : Chi Square Test- Simple Ranking Method - Gender Wise

Element	Computed Value	
	Bangalore	Hyderabad
Duties in your job comparatively	20.946	15.701
Job completion time comparatively	15.568	12.845
Work load in your job comparatively	40.892	15.889
Responsibilities in your job comparatively	8.370	7.727
Demands in your job comparatively	18.090	10.380
Significance of your job comparatively	16.227	13.251
Appraisal of your job comparatively	12.443	12.370

Significance Level: 5, Degree of Freedom: 4, Table Value: 9.488

VI. RECOMENDATIONS

Its been statistically analysed that most of the Small scale IT companies are adopting JOB Evaluation – Simple ranking method.Though it is Non-analytical method,most of the companies are very comfortable to use job classification method.This research emphasizing to educate the job evaluation committee in IT industries to opt for Analytical methods,where the result is quantitative and accurate rather than depending on the Non analytical methods which is vague and ambiguous.

REFERENCES

1. Richard Henderson, Compensation management (Reston,VA : Reston Publishing, 1980), pp. 1 01 -1 27; and Stacey L. Kaplan, "Total Rewards in Action: Developing a Total Rewards Strategy," Benefits & Compensation Digest 42 no. 8 (August2005)
2. Robert Bretz and Stephen Thomas, "Perceived Inequity, Motivation, and Final Offer arbitration in Major League Baseball." Journal of Applied psychology, June 1992 ,pp.280 – 282 ;Reginald Ell," Addressing Employee's Feelings of inequity; Capitalizing on Equity Theory in Modern Management," Supervision 72,no.5 (May 2011) ,pp.3 – 6.
3. James DeConinck and Duane Bachmann, "An Analysis of Turnover Among Retail Buyers," Journal of Business Research 58, no. 7 (July 2005), pp. 874-882
4. Michael Harris et al., "Keeping Up with the Joneses: A Field Study of the Relationships among Upward, Lateral, and Downward Comparisons and Pay Level Satisfaction," Journal of Applied Psychology 93, no. 3 (2008), pp. 665-673
5. David Terpstra and Andre Honoree, "The Relative Importance of External, Internal, Individual, and Procedural Equity to Pay Satisfaction," Compensation & Benefits Review, November/December 2003, pp. 67 – 74

6. Ibid., p. 6