

# Human resource management and NHS scheme of job evaluation

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This paper briefly represents importance and goals of human resource management in combination with modern method of job evaluation scheme. In a dynamic and very unstable business environment with constantly increasing competition and technology development it become important, more than ever, to combine company's goals and future orientation with human resources sector. The aim of this paper is to point out the positive synergy between company's performance, human resource management and NHS scheme of job evaluation.

## Introduction

In addition to industrial and capital goods, companies possess human capital. Employees are most complex and sophisticated resource of every company. More recently, the economic sciences are becoming even more aware of human capital value because only companies with innovative and progressive employees are able to make advantages over the competition and achieve business excellence. Such human capital brings the skills, knowledge, experience, contacts, assessment, correct judgments and risk control and other skills that enhance business activities.

Human resource management is and will be in the future of great importance in achieving business goals because the right people at the right places will be the most important advantage over the competition. This can be achieved only by employing highly educated and creative people, [1].

## Role of Human Resources Management

In the current business conditions overall capital value is gaining in importance, and the economic gradually weakens and becomes less and less valued, [2]. Human capital increases the value of companies only if it is carefully managed. According to the report of human resources management, employer should tie up best employees with stimulating contracts and benefits, [3]. Even in a case of purchase acquisition, acquiring company checks human resources together with industrial and capital values, [4].

## Employment

Requirements of human resources depend on the type of organization and activities it is dealing with. Operational activities in a domain of human resources start with workplace and job analysis. After listing and describing each and everyone workplace, evaluation or ranking of jobs and evaluation of employees should be conducted. Workplace evaluation and assessment of the personality are one of the most important elements in planning in the field of human resources.

Recruitment process is based on the plans of human resources and the policy of candidate recruitment. This is followed by the selection of employees and its introduction into the business. Selection process must be well designed and organized and should implement various tests such as interviews and psychological tests. Only by doing so, the most competent, qualified and adaptable candidates could be employed.

### **Methods of workplace evaluation in an industrial enterprise**

Ranking of workplaces is carried out by implementation of certain methods and techniques. Most commonly used are ranking, classification of workplaces in the salary groups, comparison of the complexity of workplaces and scoring procedure.

Workplace classification is done after sets of a few degrees for each requirement related to the workplace. Each workplace or group of workplaces on different working positions with similar or same level of requirements is incorporated in the appropriate level.

Final activity is consolidation of workplace requirements and tasks for each position. Document of this activity is called "Workplace requirement", and defines the jobs of the specific workplace.

Such document gives the labels for a certain workplace, its location, indicating the purpose and describing the activities, defines a position of a superior, subordinate, and one that needs to replace the employee occasionally. Changes in the company's environment lead to the changes in the workplaces. Under conditions of rapid technical, technological and organizational changes, job or workplace category should be periodically reviewed.

### **NHS Job Evaluation Scheme**

This paper presents modern National Health Service (NHS) job evaluation scheme. This scheme was developed for UK's health service with aim to have only one job evaluation scheme for all employees regardless of education, workplace position, responsibilities or effort required. Awareness of HRM's importance in addition with NHS method is a good way for companies to increase human capital and perform better on demanding international markets.

Principle of NHS evaluation is that every employee is correctly evaluated and paid and that those jobs are similar in content and responsibilities are of the same value and therefore paid [6]. After introduction and with minimal modifications this scheme became popular in many companies worldwide.

### **Development of the NHS Job Evaluation Scheme**

Job Evaluation Working Party I (JEWPI) was set up in the mid 1990s to create criteria for a fair and non-discriminatory job evaluation system for the Health Service. Health Service in UK counts more than 1 million employees. Test evaluated job set using six job evaluation schemes. As a result, JEWPI gave different answers and concluded that a tailor-made scheme was needed.

In 1999, UK's Government published a paper "Agenda for Change: Modernizing the NHS pay system". The proposals set out in that paper included a single job evaluation scheme that should cover all jobs in the health service to support a review of pay for health service employees.

Job Evaluation Working Party II (JEWPII) continued the work of JEWPI. Some of the most important phases in this project were:

- **Identification and testing of draft factors** was done using a sample for which jobholders were asked to complete questionnaire, providing information they felt was not covered by the draft factors. As a result of this draft factors were refined.
- **Development of factor levels.** The information collected was used by JEWPI to identify and define draft levels of demand for each factor.
- **Testing of draft factor plan.** A benchmark sample was drawn up for each job to complete a more specific factor based questionnaire.

- **Review of completed questionnaires by JEWPs members.** The validated results were input to a computer database.
- **Scoring, weighting and computerization.**

As a result of JEWPs II work, NHS job evaluation scheme was created. It is systematically created, well defined and fine tuned for fair measurement and valuation of many different jobs in such a large employer as UK's NHS.

### **Factor plan of NHS Job Evaluation Scheme**

Final version of NHS JES includes significant number of factors to ensure that all significant job features can be fairly measured. Scoring and weighting is designed in accordance with a set of gender neutral principles in order to ensure equal pay for work of equal value. NHS JES is defined with 16 factors and up to eight levels of difficulty, [5]:

- **Communication and relationship skills** measures the skills required to communicate establish and maintain relationships and gain the cooperation of others.
- **Knowledge, training and experience** measures all the forms of knowledge required including theoretical and practical knowledge; professional, practices and procedures etc.
- **Analytical and judgemental skills** take account of requirements for analytical skills to diagnose a problem and judgemental skills to formulate solutions.
- **Planning and organisational skills** take account of activities such as planning or organising services, departments, conferences and for strategic planning. It also takes account of the complexity and degree of uncertainty.
- **Physical skills** take into account hand eye coordination, sensory skills, manipulation, requirements for speed and accuracy, keyboard and driving skills.
- **Responsibilities for patient/client care** take account of the nature of the responsibility and the level of the jobholder's involvement.
- **Responsibilities for policy and service development implementation** take account of the jobholder's contribution to the relevant decision making process.
- **Responsibilities for financial and physical resources** take account of the frequency with which it is exercised etc.
- **Responsibilities for human resources** include work planning and allocation; checking and evaluating work, recruitment, appraisal and career development.
- **Responsibilities for information resources** take account of the security, processing and generating, updating and maintenance of information databases or systems.
- **Responsibilities for research and development** take into account initiation, implementation, oversight of research and development activities.
- **Freedom to act** take account of any restrictions on the jobholder's freedom to act imposed by, for example supervisory control; instructions, procedures, practices and policies etc.
- **Physical effort** This factor measures the nature, level, frequency and duration of the physical effort (sustained effort at a similar level or sudden explosive effort) required for the job.
- **Mental effort** measures the nature, level, frequency and duration of the mental effort. **Emotional effort** measures the nature, level, frequency etc. of demands for the emotional effort required usually considered to be distressing and emotionally demanding.
- **Working conditions** measures environmental conditions such as inclement weather, extreme heat/cold, smells, noise, and fumes and hazards.

All these factors combined with up to eight levels (because some factors are capable of greater differentiation than others) and different weighting score result with a job evaluation scheme that is used in a UK's National Health Service and other companies worldwide because of its consistency, ease of use, accuracy, fairness and non-discriminatory in both design and implementation. Evaluation scoring chart for NHS method of workplace evaluation is shown in Table 1.

**Table 1. NHS job evaluation scoring chart**

Level	1	2	3	4	5	6	7	8
Knowl., training & exper.	16	36	60	88	120	156	196	240
Commun. & relations. skills	5	12	21	32	45	60		
Analytical skills	6	15	27	42	60			
Planning and organiz. skills	6	15	27	42	60			
Physical skills	6	15	27	42	60			
Resp. - Patient, client care	4	9	15	22	30	39	49	60
Resp. - Policy and service	5	12	21	32	45	60		
Resp. - Financial and physical	5	12	21	32	45	60		
Resp. - HR/leadership, training	5	12	21	32	45	60		
Resp. - Information resources	4	9	16	24	34	46	60	
Resp. - R&D	5	12	21	32	45	60		
Freedom to Act	5	12	21	32	45	60		
Physical effort	3	7	12	18	25			
Mental effort	3	7	12	18	25			
Emotional effort	5	11	18	25				
Working conditions	3	7	12	18	25			

**Table 2. Scoring chart for test workplace**

Level	1	2	3	4
Knowl., training & exper.				88
Commun. & relations. skills			21	
Analytical skills			27	
Planning and organiz. skills		15		
Physical skills	6			
Resp. - Patient, client care	4			
Resp. - Policy and service			21	
Resp. - Financial and physical	5			
Resp. - HR/leadership, training				32
Resp. - Information resources		9		
Resp. - R&D			21	
Freedom to Act			21	
Physical effort	3			
Mental effort				18
Emotional effort		11		
Working conditions		7		

**Total: 309**

### Comparing NHS and analytical job evaluation scheme

One of the most commonly used methods of job evaluation in traditional industrial systems is analytical method of job evaluation, [1]. This method evaluates series of factors such as level of education, work experience, specific skills, job complexity, responsibility, etc. and combines them with most important factor - required knowledge for particular job.

Comparison of NHS and analytical method is done on particular workplace, manager of technological preparation of machining with 12 years of experience. Workplace requires a university degree and organizational skills.

Using analytical method of workspace evaluation, total score for this workplace is 297 points. Weighting scheme of NHS method for particular workplace is shown in Table 2. It can be seen that total score for same workplace in industry that is not involved into health care system is 309 point thus resulting in difference of only 4%.

### Summary

In modern business environment with increasing competition and with fast development and modification of technologies it is of outmost importance to have organized and proactive HRM sector in company. Many authors agree, human capital will bring benefits and advantages to those companies that can gather, preserve and increase it. Modern NHS job evaluation scheme originally developed and approved by employer-UK's NHS is constantly gaining more and more success even in sectors such as industry, production, national energetic etc. and is very good choice for achieving and improving goals set by company's top management. Comparing NHS job evaluation scheme with popular analytical method of workplace evaluation has shown that NHS can be used for jobs outside of health service with very good accuracy. Comparing both methods for specific jobs can result in more accurate and detailed and defined workplace.

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