

JOB EVALUATION METHODS FOR DETERMINING RELATIVE JOB WORTH IN ORGANIZATIONAL COMPENSATION STRUCTURES

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Abstract - This study examines the systematic process of job evaluation and job worth determination as a foundation for fair compensation management. A qualitative literature review method was applied following the systematic review guidelines. The analysis synthesizes theoretical principles from four main methods: ranking, classification, point factor, and factor comparison. The point factor method demonstrates superiority in handling large organizations with diverse job functions. Success determinants include appropriate factor selection, weight assignment aligned with organizational strategy, and clear level definitions. Representative committee involvement and adequate training are essential to avoid bias during evaluation. Validity and reliability tests must be conducted before constructing pay structures. Transparent socialization and fair appeal mechanisms enhance employee acceptance of new systems. Regular evaluation every three to five years maintains system relevance amid business environment changes. This normative framework provides practical guidance for organizations initiating job evaluation processes. The study contributes to human resource management literature by presenting an integrated conceptual model of job evaluation that balances internal consistency with external market competitiveness. Three evaluation methods are compared systematically to reveal their suitability under different organizational conditions.

Keywords: job evaluation, job worth, point factor method, compensation fairness, systematic review.

INTRODUCTION

Determining the value of a job within an organization is a foundation for fair human resource management. Each position carries a different level of responsibility, task complexity, and competency demand. This difference requires a system that can objectively measure the relative contribution of each position to the achievement of organizational goals (Mittal et al., 2023). Without a clear measurement system, companies risk creating employee dissatisfaction due to unequal treatment. Inequality often arises when two positions with a similar workload receive different rewards. Job evaluation systems exist as a solution to systematically compare the relative value of positions. Organizations that implement job evaluation well tend to have a lower level of internal conflict. Employees feel treated fairly when they understand how the value of their job is determined. This clarity of process also strengthens the legitimacy of compensation and promotion policies. A sense of fairness like this also tends to grow stronger under a leadership style that builds trust and shapes a positive work climate, making employees more willing to contribute voluntarily beyond their formal job duties (Mardikaningsih et al., 2022). This is possible if the performance appraisal system runs effectively and objectively. Deviations will only give rise to signs of work stress, job dissatisfaction, decreased motivation, and reduced commitment to the organization (Darmawan et al., 2020).

Job evaluation methods have developed along with the needs of increasingly complex modern organizations. Qualitative approaches such as ranking and classification provide a general picture of job hierarchy. However, these methods have a weakness because they rely too heavily on management's subjective judgment (Mittal et al., 2023). As a result, evaluation outcomes are often questioned by employees who feel disadvantaged. Quantitative methods such as point factor and factor comparison offer higher objectivity through the weighting of various criteria. These criteria include the knowledge required, the responsibilities carried, working conditions, and problem-solving ability. Each criterion is given a score that is then summed to determine the final value of the job. Large organizations tend to choose the point factor method because it produces more detailed results. This method allows comparison between different types of jobs that are nevertheless equal in weight. The main challenge lies in determining the factors and weights suited to the organization's characteristics. This condition brings a fundamental change in working methods that previously relied on direct interaction and physical supervision, now shifting toward a system that relies on digital communication and the measurement of work output (Rojak et al., 2022). Digital transformation in the HR field demands rapid adaptation to automation systems in recruitment, training, and performance evaluation processes. This shift also requires a strategy to keep employees knowledgeable and engaged amid increasingly automated routine work, since automation that is not accompanied by proper support can actually reduce the meaning employees find in their jobs (Darmawan, 2024).

Errors in determining job value have a broad impact on the entire human resource management system. An uncompetitive salary structure will make it difficult for organizations to attract the best talent from the labor market.

Talented employees tend to move to companies that offer fairer rewards for their abilities (Kozioł & Mikos, 2020). Retention becomes a serious problem when employees feel they work hard yet are valued less than other positions. Productivity declines because morale is eroded by prolonged feelings of unfairness. Recruitment costs increase due to the high turnover rate of employees leaving the organization. In addition, evaluation errors also trigger lawsuits from employees over discriminatory pay practices. Technology used within job evaluation systems itself needs to be examined carefully, because if it is not designed with care, it can actually widen rather than close gender-based pay gaps (Darmawan, 2024). Labor regulations in various countries require employers to apply the principle of equal pay. Organizations that violate this principle face the risk of administrative sanctions and even class action lawsuits. A company's reputation as a fair workplace is also damaged in the eyes of the public. In addition, employee satisfaction and morale in delivering excellent service should not be ignored, because this has a direct impact on the quality of work outcomes (Eddine & Darmawan, 2022). Organizations that fail to create a credible evaluation and reward system risk losing talented employees.

Effective job evaluation requires an understanding of an organization's internal dynamics as well as the external factors that influence it. An organizational structure that changes due to restructuring or acquisition requires adjustment to the existing job map (Choudhary, 2016). New jobs emerge along with technological developments that turn traditional ways of working into more automated ones. Old roles may disappear while new roles with different job weights need to be re-evaluated. An organization's inability to adapt to these changes results in a value gap between generations of jobs. A flexible organizational structure becomes an important requirement under these conditions, since organizations able to adjust their structure quickly tend to be more successful in responding to a constantly changing business environment (Darmawan & Mardikaningsih, 2023). Older employees may feel disadvantaged when their jobs are not re-evaluated periodically. Conversely, newer employees may receive higher compensation because the organization uses a different assessment standard. Consistency of evaluation methods is the key factor in ensuring that all groups of employees are treated equally. Organizations need to set a periodic evaluation schedule to ensure that job values remain relevant. Without regular updates, the evaluation system will lose accuracy and give rise to new problems. In the digital era, learning patterns are also changing through online interaction, which affects the way students obtain information (Darmawan, 2021). This way of working is projected to keep developing and become a common work pattern in the future, in line with technological advances that make its implementation increasingly easier.

Job evaluation practices in Indonesia show fairly wide variation across industry sectors and company scales. Multinational companies usually apply a point factor system that has already been tested in their country of origin. In contrast, small and medium local companies often use simple methods such as job classification based on management's intuition. This difference in approach is not solely a matter of financial resources but also of understanding the importance of evaluation. Many business owners regard job evaluation as an administrative burden without direct benefit to the business. They still see sustainability as an additional matter rather than a strategic opportunity (Mardikaningsih & Darmawan, 2021). Such variation actually reflects the need for a workforce diversity management strategy capable of accommodating the characteristics of different sectors, so that innovation and team performance can still be maintained even without a uniform evaluation system (Darmawan, 2024). This mistaken view is rooted in a lack of exposure to case studies of companies that suffered losses due to unfair pay practices. As a result, internal conflict often arises when employees compare their salaries with colleagues at other companies. Labor unions begin to question the basis for determining wages when there is no clear evaluation document. External pressure from regulators and the labor market is slowly pushing change toward professionalism. Global trends show that fair labor practices are becoming a requirement for international business partnerships. In practice, manufacturing companies need to ensure that every worker involved receives fair wages, works in safe and healthy conditions, and has the opportunity to develop their skills (Barzani et al., 2022).

The main problem arises when an organization does not have a standard procedure for comparing the relative value of jobs across different functions. Every department, such as marketing, operations, finance, and human resources, claims that its own work is the most crucial to the company's success. Such claims are often based on emotion and functional loyalty rather than objective evidence about job weight. The head of the marketing department feels their responsibility is greater because it deals directly with company revenue. Conversely, the head of the operations department argues that without quality products, marketing efforts will not produce anything. This kind of cross-departmental conflict can actually be reduced through an empowering leadership approach, since leaders who give room for autonomy tend to make it easier for each division to understand its own contribution without feeling as though it is competing with other divisions (Darmawan, 2024). This kind of confrontation makes it difficult for top management to make decisions about a fair salary structure. The absence of a shared language for comparing job value causes internal negotiations to proceed politically. Final decisions often favor the department with the most vocal representative in management meetings. Without clear and transparent communication, employees will feel confused or even suspicious of the changes being made. As a result, employees from other departments feel marginalized and organizational fairness is widely questioned. This problem becomes even more complex as an organization grows larger with more divisions and

layers of management. When every department focuses too much on its own goals without understanding the contribution of other functions, this can hinder the organization's overall coordination and efficiency (Fared & Darmawan, 2021).

Another problem relates to the difficulty of determining the right distinguishing factors according to each organization's unique characteristics. The point factor method requires the identification of factors such as skill, responsibility, effort, and working conditions. However, the ideal weight for each factor differs between manufacturing industries and service companies or research institutions. Manufacturing industries may give high weight to physical working conditions and the risk of workplace accidents. Consulting firms, by contrast, place more importance on problem-solving and creativity factors in every job. When an organization uses standard external factors without adjustment, the evaluation results become irrelevant. A job that is actually demanding in a particular aspect may be rated low because that factor is not represented. Conversely, a light job may receive a high score simply because it happens to match the chosen factors. This mistake is difficult to correct once the system is running, because employees have already adapted to the existing salary structure. Changing factors or weights midway will trigger resistance from those who feel disadvantaged. The use of digital technology in remote working systems is also part of modern management practice that needs attention (Mardikaningsih & Darmawan, 2022). Teams spread across various locations with different expertise also depend on external service providers or technology vendors (da Silva et al., 2022). This condition also raises the risk of declining accuracy and timeliness in performance feedback within hybrid work arrangements, so job evaluation factors need to be reviewed again to remain relevant to work patterns that are no longer fully carried out face to face (Mardikaningsih et al., 2025).

The need for a systematic guideline that can be scientifically accounted for is very urgent to fulfill immediately. Organizations without a valid job evaluation system will continue to face internal turmoil due to perceived unfairness. Prolonged conflict between departments drains management energy that should be focused on business development. Hidden costs in the form of declining morale and increasing passive sabotage are very difficult to measure quantitatively. Long-term financial losses from losing talented employees far exceed the investment needed to build an evaluation system. Companies that ignore this aspect will fall behind in the competition to attract outstanding human resources. Increasingly strict labor regulations in the future will force every organization to have job evaluation documentation. Therefore, normative research on the basic concepts of job evaluation and job value determination is greatly needed. The results of this research are expected to become a reference for practitioners who want to build a system from the beginning. Creating a fair system and a flexible structure with a clear and humane division of tasks, authority, and responsibility, while taking into account each individual's capacity (Mardikaningsih et al., 2022).

This research aims to systematically outline the concept of job evaluation and job valuation methods that can serve as a reference for organizations. This objective is achieved through a literature study of various theoretical sources whose validity has been tested in organizational practice. The theoretical contribution of this research takes the form of a synthesis of various job evaluation approaches into a cohesive framework of thinking. Meanwhile, its practical contribution is the availability of step-by-step guidance for human resource managers. Organizations applying this guidance are expected to be able to avoid common pitfalls in the job evaluation process. The end result of implementing a correct system is the creation of internal equity felt by all employees. This equity in turn supports productivity and the retention of quality workforce in the long term. Increasing competition among organizations demands the creation of a work environment that supports productivity and maximizes employee contributions.

RESEARCH METHODS

A qualitative research design with a literature study approach is used in this study, as explained in the typology of three types of literature reviews put forward by Booth, Sutton, and Papaioannou (2016), namely systematic, semi-systematic, and integrative reviews. The chosen approach is a systematic literature review, because its objective is to identify, evaluate, and synthesize all relevant literature on job evaluation and job valuation. The process begins with the establishment of inclusion criteria, which include human resource management textbooks, indexed journal articles, and technical documents from international labor institutions. Data sources are drawn from scientific publications discussing ranking, classification, point factor, and factor comparison methods theoretically, rather than from field survey results. Analysis is conducted by reading all documents repeatedly so that the essence of each method along with its advantages and disadvantages can be captured. The collected data is then grouped based on major themes, such as the definition of job evaluation, evaluation factors, implementation procedures, and result validity. This approach allows researchers to build normative arguments without needing to collect primary data from specific organizations (Ismail et al., 2022).

The sharpness of the researcher's interpretation of texts and documents is heavily relied upon in qualitative research, as asserted by Creswell and Poth (2018). In this study, every theoretical statement from various sources is compared to find universal principles that apply across organizations. Differences in views among authors are not regarded as contradictions, but rather as complementary perspectives that enrich understanding. For example, differences regarding the ideal number of factors in the point factor method are not resolved by seeking statistical averages. Instead, the arguments behind each proposed number of factors are analyzed by the researcher. Flexible

recommendations suited to the varying needs of different organizations are produced through the synthesis process. The internal logical consistency and alignment with widely accepted management principles constitute the validity of this research's results. The entire analysis process is documented transparently so that the researcher's train of thought can be traced by readers. This method is considered appropriate for the research objective of generating normative guidance, rather than empirical generalization.

RESULTS AND DISCUSSIONS

Job evaluation is defined as a systematic process for determining the relative value of one job compared to other jobs within an organization. This process focuses on the characteristics of the job itself, not on the performance of the individual holding the position. Bose (2012) has described Job Evaluation as a methodological procedure for identifying the relative size of jobs within an organization and for establishing a consistent wage structure. It can also be defined as "the process of identifying and measuring the factors (competencies) within each job that are compensated" (Eargle, 2013). The implementation of Job Evaluation techniques has profound implications for organizations, such as management's decision to objectively update or re-evaluate job descriptions if those descriptions are inaccurate (Picardi, 2019). The separation between job evaluation and performance appraisal is a fundamental principle that practitioners often overlook. This separation becomes more important as digital monitoring tools increasingly track daily work activity, since without a clear boundary, data on work autonomy and professional responsibility risks being conflated with the structural value of the job itself (Mardikaningsih et al., 2024). The consequence of overlooking this separation is that personal factors become mixed with structural factors in compensation decision-making. A poorly performing employee is still entitled to a salary that matches the value of their job if that position genuinely carries a high weight. Conversely, an outstanding employee's position does not automatically become more valuable than what has been set. This principle protects organizations from nepotism and discrimination in pay practices (Touma, 2022). Job evaluation creates an objective foundation before an organization determines the base salary for each position. Only after the value of the job is known are individual factors such as tenure and achievement taken into consideration. This logical sequence guarantees procedural fairness, which forms the basis of employee trust in the management system. Transparency in evaluation methods and employee involvement in designing the system are essential to maintaining trust (Darmawan, 2020). This kind of trust is easier to build when the evaluation process is carried out in a way that still preserves cooperation and empathy among employees, rather than reducing job comparison to a purely mechanical exercise (Putra et al., 2024).

The ranking method, or job ordering, is the simplest form of evaluation, comparing jobs only from the most important to the least important (Song & Kang, 2016). Each decision-maker independently draws up a list, and the results are then averaged to reach a collective agreement. The weakness of this method lies in its inability to explain how large the gap in value is between one job and another. It is unknown whether the job ranked first is worth twice as much or only ten percent more than the one ranked second. This lack of clarity about the size of the interval makes it difficult for organizations to design a proportional salary structure. The ranking method is suitable for small organizations with fewer than twenty different positions. The simplicity of this method is an advantage because it does not require special training for the evaluation team. However, the results are highly prone to personal bias because there are no standard criteria to serve as a reference point. Two people can produce very different orderings when their perceptions of a job's importance are at odds. This kind of ambiguity is not merely a technical flaw, since unclear evaluation outcomes can also affect employees' psychological well-being and their working relationships with one another, particularly in settings where communication no longer relies on direct daily interaction (Darmawan, 2023).

The job classification method uses classes or grades that have been determined before the evaluation process begins. Each class carries a general description of the level of responsibility, complexity, and qualifications required (Choudhary, 2016). The evaluation team's task is to match each job to the class description that fits best. Common examples of classes include entry-level staff, specialist staff, supervisor, manager, and director. Government organizations often use this method because their hierarchical structure is already standardized and stable. The weakness of the classification method becomes apparent when a job has characteristics that blend two different classes. This lack of clarity forces the evaluator to choose one class, causing the loss of important information about that job's unique features. This method is also difficult to apply in flat organizations that have few formal hierarchical levels. All employees may be concentrated in one or two classes, so differences in job value become blurred. As a result, the compensation system loses sensitivity to variations in job weight between individuals. Change demands not only an adjustment of strategy but also an adjustment in the human resource management approach (Mardikaningsih & Darmawan, 2022). This challenge is felt even more strongly by older employees, whose roles are often the ones most affected when organizations adopt new digital technology, so a rigid classification system can leave their contribution poorly represented (Darmawan, 2023).

The point factor method is the most popular approach among large organizations because it offers high objectivity and precision. The process begins with identifying factors relevant to job value, such as knowledge, responsibility, effort, and working conditions (Bandyopadhyay & Ganguly, 2014). Each factor is given a percentage weight that reflects its relative importance to the organization's success. The knowledge factor might be weighted at 40

percent for a consulting firm but only 20 percent for a manufacturing plant. This kind of difference shows that knowledge cannot simply be treated as a generic factor, since in industries where knowledge functions as a genuine source of competitive advantage, its weight in the evaluation naturally needs to be higher than in industries where knowledge plays a more supporting role (Darmawan, 2023). Each factor is further broken down into several levels with scores that increase according to the complexity or intensity of that factor. For example, the knowledge factor is divided into high school, diploma, bachelor's, and postgraduate levels with tiered scores. Jobs are analyzed one by one to determine the appropriate level for each factor. The total score across all factors is then summed so that each job has a clear quantitative value. The main advantage of this method is its ability to compare functionally very different jobs, such as a technician and an accountant. Differences in the type of work are no longer an obstacle because everything is measured using the same factors. A lack of clarity in adjustment strategy risks triggering evaluation bias if the institution does not have an objective performance appraisal framework and reward scheme (Mardikaningsih & Darmawan, 2022).

The factor comparison method combines elements of ranking and point factor through more complex steps. The first step is to select several key jobs considered representative of the various levels of job value within the organization. These key jobs are then assigned a monetary value or total points based on the evaluation team's agreement. Each key job is subsequently ranked on every factor, such as skill, physical effort, mental effort, responsibility, and working conditions. The mental effort factor in particular deserves careful attention, since jobs that appear administratively simple can actually carry a heavy cognitive and psychological burden, and overlooking this dimension risks producing an evaluation that fails to reflect the real pressure employees face in an increasingly productivity-driven work environment (Khayru & Arifin, 2025). The evaluation team determines what portion of the total value is allocated to each factor for each key job. This allocation process produces an implicit salary scale for each factor based on the key jobs that have been evaluated. Other jobs are then compared to the key jobs to determine their value on each factor. The weakness of this method lies in the assumption that the labor market has fairly determined the value of the key jobs. If the initial valuation of the key jobs contains bias, the entire system will propagate that bias. The complexity of the calculation also makes this method difficult to explain to employees who want to understand why their salaries differ (Chaneta, 2014).

Selecting the right factors is the main determinant of the point factor method's success in practice. Factors must be universal, meaning they can be found in every job within the organization. Factors must also be non-overlapping, so that the score from one factor does not implicitly influence another. The knowledge required for a job must not be mixed with mental effort, because the two are actually different dimensions. The evaluation team needs to test each factor against ten to twenty sample jobs to ensure its discriminating power. A good factor will produce significant score variation between jobs without creating anomalies. For example, the working conditions factor may produce a high score for field workers but a low one for office workers (Kahya, 2018). This difference must correspond to the reality that field workers do face greater physical risk. This is also where working conditions in manufacturing environments deserve closer scrutiny, since factors related to environmental impact and waste management are increasingly part of how a job's physical risk and social responsibility are assessed (Mardikaningsih & Nuraini, 2022). Modern service organizations tend to reduce the weight of the working conditions factor because most work is done in air-conditioned spaces. Conversely, the problem-solving and creativity factors receive greater weight in the knowledge economy. Placing greater weight on creativity does not mean technical speed can be pursued carelessly, since an innovation culture that ignores the human side of work tends to produce evaluation outcomes that undervalue the depth of thinking behind a job (Darmawan, 2023). This model prioritizes efficiency and innovation and provides new opportunities for companies to reach a wider market (Ramle & Mardikaningsih, 2022). Such opportunities are easier to capture when an organization also has a clear strategy for innovation, since strategies of this kind determine how much weight problem-solving and creative capacity should actually carry in job evaluation, particularly for maintaining resilience and competitiveness in a global environment (Mardikaningsih et al., 2024).

The weight of each factor cannot be determined arbitrarily; it must reflect the organization's strategy and values. A technology startup might weight the innovation factor at 50 percent because its success depends on new products. This is consistent with the fact that in the digital era, employee productivity is increasingly measured not only by output volume but also by the level of creativity and innovation shown in completing work, so it makes sense for jobs that demand these qualities to receive greater weight (Darmawan, 2023). Traditional manufacturing companies place greater weight on the occupational safety responsibility factor because the risk of accidents is high. Weight determination can be carried out through surveys of senior managers who understand the organization's strategic priorities. Another alternative is to use the pairwise comparison method, in which each factor is compared one against another repeatedly. The results of this comparison are processed using analytical techniques to produce mathematically consistent weights. Established organizations can use market salary studies to determine weights inductively. Market data shows which factors are most valued by other companies in the same industry. This approach ensures that the evaluation system produces a salary structure that is competitive with the external market. Internal and external consistency are equally important for achieving fair compensation as a whole (Alidrisi, 2021). Sustainability is not only about economic efficiency or technical progress but also about the social and moral responsibility carried by developers and policymakers (Essa & Mardikaningsih, 2023).

Score levels within each factor must be designed with intervals that are psychologically and statistically equivalent. Equivalent intervals mean that the difference between levels one and two means the same as the difference between levels three and four. Violations of this principle result in the total score failing to reflect the actual increase in job value. For example, the knowledge factor with the levels of high school, diploma, bachelor's, master's, and doctoral degrees has different intervals. The jump from bachelor's to master's might mean less than that from high school to diploma in practice. The evaluation team needs to define each level with specific behavioral examples to avoid subjective interpretation. Level one of the knowledge factor might mean the ability to read and write simple procedures. Level two means the ability to apply existing procedures without the need for significant modification. Level three requires the ability to modify procedures according to slightly different situations. Level four demands the ability to design new procedures for unprecedented problems (Fang et al., 2024). Behavioral definitions like this make the evaluation process more transparent and auditable.

The execution of job evaluation requires the formation of a committee representing various functions within the organization. (Choudhary, 2016) A committee that is too homogeneous will produce a single perspective that does not fairly reflect the interests of all parties. Committee members must be trained beforehand on the concept of job evaluation and the mechanics of the chosen method. Effective training typically lasts for two to three days with case studies from various industries. After training, the committee evaluates several test jobs to measure the level of agreement among members. A low level of agreement indicates the need for additional training or revision of confusing factors. The formal evaluation process begins after all committee members demonstrate consistency in scoring the test jobs. Each job is evaluated collectively rather than individually to prevent the dominance of one voice over another. Jobs that raise sharp disagreements are discussed specifically until an acceptable consensus is found. All committee decisions are documented with written reasons for future audit purposes. This documentation serves as evidence that the process was carried out with good faith and proper procedures. In addition to interaction factors, social capital support and strong team collaboration play an important role as foundational elements in maintaining work quality within an organization (Putra et al., 2021).

The validity of job evaluation results needs to be tested through several methods before being applied to the salary structure. Internal validity testing is carried out by examining whether jobs that intuitively have a higher value indeed receive higher scores. Discrepancies between the manager's intuition and the committee's results indicate that an important factor was missed or the weight was incorrect. External validity testing is carried out by comparing job values with market salary data for similar positions. Valid evaluation results will show a positive correlation with market salaries although they do not have to be identical. Organizations may decide to pay above the market for certain positions considered strategic. However, deviations that are too large without a clear reason will trigger questions from employees. Reliability testing is carried out by asking the committee to re-evaluate ten to twenty jobs after a one-month gap. The first and second evaluation results must show a very high correlation above 0.9. Low reliability indicates that the evaluation procedure is too loose or the factors are still ambiguous. Improvements are needed before the system is permanently applied to the entire job population (Ismail et al., 2022). Managers must assess the validity of such assumptions with professional judgment (Eddine & Darmawan, 2021).

A fair salary structure is built based on job evaluation results using the principle of internal compensation. Each job is grouped into grades based on a predetermined score range. For example, jobs with scores of 100 to 150 enter grade one with a base salary of Rp5 million to Rp6 million. Jobs with scores of 151 to 200 enter grade two with a base salary of Rp6 million to Rp8 million. The width of the salary range in a single grade typically reaches 40 percent of the lowest salary of that grade. This range provides room for management to differentiate individual salaries based on performance or length of service. However, salary differences between individuals in the same grade must not exceed the differences between different grades (Naser et al., 2022). This principle is called the overlapping range, which prevents managers from giving disproportionate salaries to favored employees. Two people with a large performance difference still must not cause a lower grade employee's salary to exceed an upper grade salary. This limitation protects the integrity of the job evaluation system from covert manipulation practices. Sometimes to negotiate rates for work, they provide scope for pay progression according to performance, competence, contribution, or length of service (Armstrong, 2007). This assumes that the increase in wage rates from one level to another, within a wage scale, will be proportional to the increase in the level of responsibility and burden added to employees as a result of their promotion to higher levels in the organizational structure (Al-Shehri, 2016). Thus, the wage structure is defined as the orderly arrangement of jobs, based on the relative value of each job in relation to other jobs with a certain salary level, whereas within the organization, jobs are arranged from the most important to the least important according to their relationship of importance. Consequently, wage rates are determined separately for each job (Hussnein, 2014).

Al-Khair and Al-Mikhlaifi (2006) have shown that wage structures are related to job pricing through the identification of wage rates according to job levels to determine the monetary value representing the numerical value of the job. However, determining job value does not stop at establishing the salary structure but must be followed by socialization to all employees. (Balshy & Ismael, 2021) Total confidentiality is actually counterproductive because employees tend to fill information voids with inaccurate rumors. Socialization begins with an explanation of the purpose

of job evaluation to create equity rather than to cut employee salaries. Hypothetical cases can be used to demonstrate how the point factor method works transparently. Every employee has the right to know their own job grade along with the applicable salary range. Information regarding coworkers' job grades does not need to be provided openly to prevent unhealthy personal comparisons. However, every employee can submit a formal question if they feel their job grade does not match their job description. An appeal process must be provided with a mechanism independent of the initial evaluation committee. Appeal decisions are final and binding after undergoing a re-examination of supporting documents. The existence of an appeal mechanism enhances the perception of procedural justice even though it is rarely used in practice. Social media phenomena today also show how important it is to maintain the authenticity of relationships so that communication remains honest and meaningful (Hariani & Mardikaningsih, 2022).

The updating of the job evaluation system needs to be carried out periodically every three to five years. This period is long enough to provide stability but short enough to respond to changes in the business environment. Triggering factors for updates include the adoption of new technologies, changes in corporate strategy, or new labor regulations. The updating process does not have to change all factors and weights from scratch. Organizations can maintain the same method while adjusting weights based on the latest market data. Another alternative is to maintain weights but replace factors that are no longer relevant with new ones (Ismail et al., 2022). For example, the manual machine skill factor needs to be replaced with skills in using automation software. Partial changes like this reduce the workload compared to conducting a comprehensive re-evaluation. However, the evaluation team must be very careful so that the changes do not create injustice among generations of employees. Employees recruited before the changes must not be disadvantaged by new factors unrelated to their work. The non-retroactive principle must be upheld to maintain employee trust in the system. The use of advanced technology such as artificial intelligence in team management is also starting to become common to facilitate human work in the office (Darmawan, 2022).

Challenges in implementing job evaluation often stem from the resistance of an organizational culture accustomed to old ways (Johnson & Cooke, 2013). Line managers may feel that their expertise in evaluating subordinates is replaced by rigid bureaucratic procedures. This sense of loss of control can be overcome by involving line managers in the evaluation committee from the beginning. Active involvement makes them feel ownership of the resulting system rather than just receiving orders from above. Lower-level employees might be skeptical that job evaluation will only benefit top management. This skepticism is answered with full transparency about the list of factors and weights used. Every employee can check for themselves whether their job is evaluated fairly according to those factors. In addition, providing adequate explanations and justifications to employees has a positive influence on their behavior (Ismail & Zakaria, 2009). Organizations that successfully implement job evaluation typically start with a pilot unit before expanding company-wide. Pilot units are chosen based on voluntarism rather than coercion to create convincing success stories. Success in the pilot unit then becomes a stronger promotional tool than a director's order. This phased approach takes longer but results in more solid adoption. The willingness to support each other in mastering new systems is fundamentally influenced by a strong positive psychological dimension to maintain individual commitment in completing collective tasks (Darmawan & Mardikaningsih, 2021). A positive orientation toward work error correction requires ethical leadership from management to build a healthy and sustainable organizational culture (Mardikaningsih et al., 2022).

The limitation of this study lies in its normative nature, which is not tested with empirical data from real organizations. The generated recommendations may face implementation hurdles when encountering complex internal political dynamics. Every organization has a unique history and culture that cannot be fully anticipated by general theoretical frameworks. Further research using case study methods is needed to verify whether these recommendations prove successful in practice. Comparisons between organizations using different methods will also provide insights into the conditions most suitable for each approach. However, as an initial step, this study has provided a clear roadmap for organizations wanting to start. The absence of empirical data does not mean this study is useless, because many organizations need initial guidance before investing resources. Good theory provides boundaries on when a method is appropriate to use and when it is mistaken. Practitioners reading this study can adapt the recommendations to the specific conditions of their organization. Flexibility in application is key because technical perfection is never achieved in the real world.

CONCLUSIONS

Job evaluation is an undeniable foundation in building a fair compensation system. This systematic process clearly distinguishes between job value and individual performance so that compensation decisions become more objective. The point factor method has proven to be the most superior in handling organizations with a large number of positions and diverse functions. The success of this method highly depends on the selection of relevant factors, the assignment of weights appropriate to the organizational strategy, and clear definitions of score levels. The involvement of a representative committee and adequate training are absolute prerequisites for avoiding bias in the evaluation process. The evaluation results must be tested for their validity and reliability before being used to construct a salary structure. Transparent socialization and a fair appeal mechanism increase employee acceptance of the new system. Periodic evaluations every three to five years are necessary to maintain the system's relevance to changes in the business

environment. This study provides a normative framework that can be immediately adapted by organizations with adjustments suited to their respective conditions.

The implication of this study for human resource practitioners is the availability of concrete guidance to start the job evaluation process from scratch. The first suggested step is to form a small team to study the various available methods before choosing the most appropriate one. Once the method is chosen, the organization needs to allocate a budget for evaluation team training for a minimum of two full days. Top managers must provide public support for this process to send a signal that job evaluation is a strategic priority. Further research is recommended to test the effectiveness of each method in different industries such as banking, manufacturing, and information technology. Quantitative research measuring the correlation between the implementation of job evaluation and employee turnover rates will be extremely valuable. Cost-benefit comparisons between using external consultants versus an internal team are also worth exploring further. Organizations are advised to start documenting all evaluation processes as learning materials for the next renewal cycle. The willingness to share experiences among organizations through professional associations will accelerate the maturation of job evaluation practices in Indonesia.

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