

Hay Methodology

Hay Methodology, also known as the **Hay Guide Chart-Profile Method**, is a structured job evaluation system used by organizations to measure the relative value of jobs within an organization. Developed by Edward N. Hay, it is widely recognized and used globally. The method evaluates jobs based on three key factors:

Key Components of the Hay Methodology

1. Know-How

- The total knowledge, skills, and experience required to perform the job competently.
- Measured across dimensions like technical expertise, managerial responsibilities, and interpersonal skills.

Sub-categories:

- **Depth of knowledge** (technical, managerial, etc.)
- **Breadth of knowledge** (cross-functional skills)
- **Human relations skills** (interpersonal and leadership abilities)

2. Problem Solving

- The thinking challenges the job entails, including the complexity of tasks and the level of decision-making.
- Measured as a percentage of Know-How, indicating how much creativity or reasoning the job requires.

Sub-categories:

- **Environment:** Level of challenge in applying knowledge.
- **Thinking Challenge:** Degree of analysis, evaluation, or innovation needed.

3. Accountability

- The degree to which the role is responsible for outcomes and results. This includes decision-making authority and its impact on the organization.
- Evaluated through three dimensions: freedom to act, the magnitude of impact, and the job's effect on end results.

Sub-categories:

- **Freedom to Act:** Level of autonomy.
 - **Magnitude of Impact:** Size of operations influenced by the role.
 - **Nature of Impact:** Whether the job creates, modifies, or executes policies and processes.
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Example of a Hay Job Evaluation

Position: Senior Engineer

1. Know-How

- Technical expertise: Advanced knowledge of electrical systems (score: 450)
- Managerial skills: Supervises a team of 5 (score: 100)
- Interpersonal skills: Coordinates with cross-functional teams (score: 50)

Total Know-How Score: 600

2. Problem Solving

- Environment: Structured environment with defined processes (20% of Know-How)
- Thinking Challenge: Requires regular analysis and some innovation.

Problem Solving Score: 120 (600 x 20%)

3. Accountability

- Freedom to Act: Operates within established frameworks (50)
- Magnitude of Impact: Division budget (\$5M) (100)
- Nature of Impact: Directly impacts project outcomes (50)

Accountability Score: 200

Total Score: 920 points

Using a predefined organizational pay scale tied to evaluation scores, the position's score aligns with a salary range of \$80,000–\$100,000 annually.

Example of Hay Job Evaluation with Grading

Position: Marketing Manager

Step 1: Apply the Hay Factors

1. Know-How

- **Technical Knowledge:** Requires in-depth knowledge of marketing strategies, branding, and market research.
Score: 350
- **Managerial Skills:** Oversees a team of 10 marketers and collaborates with other departments.
Score: 150
- **Interpersonal Skills:** Regularly negotiates with stakeholders, including clients and vendors.
Score: 50

Total Know-How Score: 550

2. Problem Solving

- **Thinking Challenge:** Develops innovative marketing strategies to meet customer needs and organizational goals (25% of Know-How).
- **Environment:** Highly dynamic and competitive market requiring frequent adjustments.

Problem Solving Score: 138 (550 × 25%)

3. Accountability

- **Freedom to Act:** Operates within broad organizational policies but has discretion to decide marketing initiatives.
Score: 70
- **Magnitude of Impact:** Responsible for driving revenue in a division generating \$20M annually.
Score: 150
- **Nature of Impact:** Directly influences revenue growth through campaigns and strategies.
Score: 80

Total Accountability Score: 300

Step 2: Calculate Total Score

Total Hay Score = Know-How + Problem Solving + Accountability

Total Score: 550 + 138 + 300 = 988

Step 3: Determine Job Grade

Organizations using the Hay Method assign score ranges to specific job grades. A typical grading structure might look like this:

Hay Points Range	Job Grade	Salary Range (Example)
601–800	Grade 5	\$60,000 – \$80,000
801–1,000	Grade 6	\$80,000 – \$100,000
1,001–1,200	Grade 7	\$100,000 – \$120,000
1,201–1,400	Grade 8	\$120,000 – \$140,000

Result:

- The Marketing Manager's total score of 988 falls within **Grade 6**.
- **Recommended Salary Range:** \$80,000 – \$100,000 annually.