

ISF: Uniformly describe,
grade and reward
each job



DEFINITION OF TERMS

CLA	Collective Labour Agreement. Agreement drawn up by trade unions and employer organisations for a particular industry.
Complaints Committee	Internal committee that examines objections to job classification and provides advice to management.
Employers' organisation	Association representing the interests of employers. This can be either individual or collective.
ISF	Integrated Job Grading System, the most applied system of job grading within the technology industry and the Collective Labour Agreement Metalektro.
Job description	Description of the most level-defining tasks of the job.
Job function	The set of tasks aimed at achieving the stated goal.
Job rating	Analytically determining the severity of a job using the matrices and tables included in the system text.
Job rewarding	Ranking functions by severity through a system.
Key functions	Selected functions that form a cross-section of departments and levels. Based on these key functions, the other functions can be classified.
Level-defining tasks	Tasks to which a lot of time is spent, which require knowledge and experience and which are assigned powers/responsibilities.
Matrix/matrices	Block diagram with horizontal and vertical input. This is used to determine the scores for the different characteristics.
Metalektro	Metalworking and electrical engineering industry.
Rating area	The total of the rating areas determines the severity of the job. ISF recognises the rating areas: knowledge and ability, problem handling and communication.
(System) characteristic	Criteria by which a job can be compared with another job (knowledge, manual skills, etc.).
System holder	FME has been designated by collective bargaining parties as system holder of ISF. This means that FME is responsible for the correct application of the system in the industry.
System text	Manual to apply a correct allocation of points for rating jobs.
Trade unions	Associations representing the interests of employees. This can be individual or collective.
Vereniging FME	The Dutch employers' association in the technology industry.

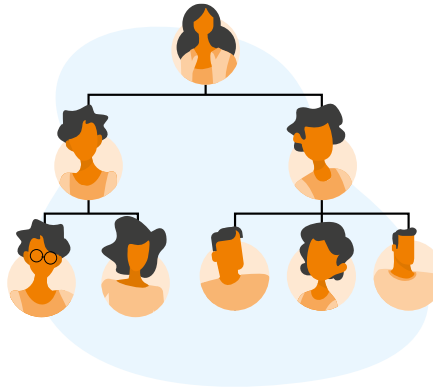
First of all: What is job grading?

Comparing jobs with each other using a classified system, to indicate how demanding a job is compared to another.

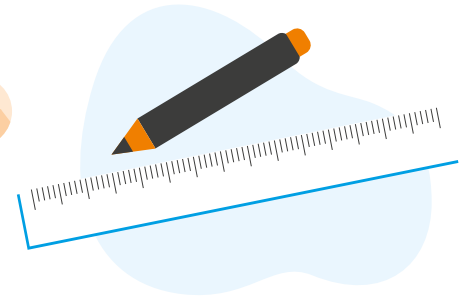
No arbitrariness but equitable substantiation



Not the person but the function



Measuring with the same standards



ISF - NO ARBITRARINESS

Suppose you are buying apples and they cost \$3.45. But how thick, juicy, tasty are they compared to other apples? When paying wages, things went the same way for a long time. In some countries, workers were paid with a handful of salt. It depended on the size of the fist of the paymaster whether someone was paid well or 'didn't earn the salt in the pudding'. Where good standards are lacking, King Rand rules.



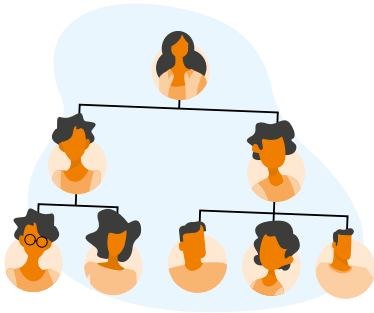
What has been done to prevent arbitrariness?

Fortunately, much has already been done to prevent arbitrariness. At the market or in shops, apples are weighed on scales, which show a clear division and you pay per gram. That standard has been agreed upon. Something similar applies to valuing and rewarding work. The arbitrariness of the paymaster's fists disappeared. In its place came regulations (the collective agreements) and systems (job grading, salary systems). Of course, this does not mean that everyone earns the same! Because not all jobs are the same. Moreover, salaries can also differ from company to company.

What is the job level severity and responsibility compared to other functions?

Some jobs are more demanding than others and differ in terms of knowledge and experience required. Also, some jobs involve more responsibility than others. In some jobs, it is important to maintain many contacts in a careful manner. In other jobs, this is not necessary at all. And there are many other differences. In order to compare jobs, systems have been developed: job grading systems. These can indicate how demanding a certain job is compared to another one. This is necessary, among other things, to be able to fairly substantiate differences in pay. What a job is worth on the labour market is not taken into account with job grading.

ISF - NO ARBITRARINESS



Not the person but the function?

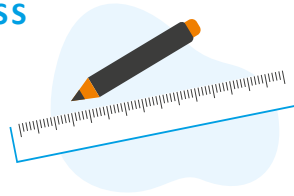
A common misunderstanding should be cleared up right away. Job grading/evaluation is about the job and not the person. It is about what someone does or has to do, not about how someone does it or has done it. How someone accomplishes all those tasks, making many mistakes or not, is called the performance. Jobs are graded with job grading systems. Performance such as effort and results are assessed with other systems, for example with an appraisal system.

To grade a job properly the job content must be clear. In other words, what outcomes should the tasks lead to, and what are the key tasks that determine the level of the job? Only when the job content is clear, the job can be graded.



Example secretary:
level-defining job description

ISF - NO ARBITRARINESS



For job evaluation, it is important to know what the main tasks are, what the the position is responsible for, and with whom and about what communication is required. A line is then drawn somewhere. All tasks/activities above the line are included in the job description.

Measuring with the same standard; how?

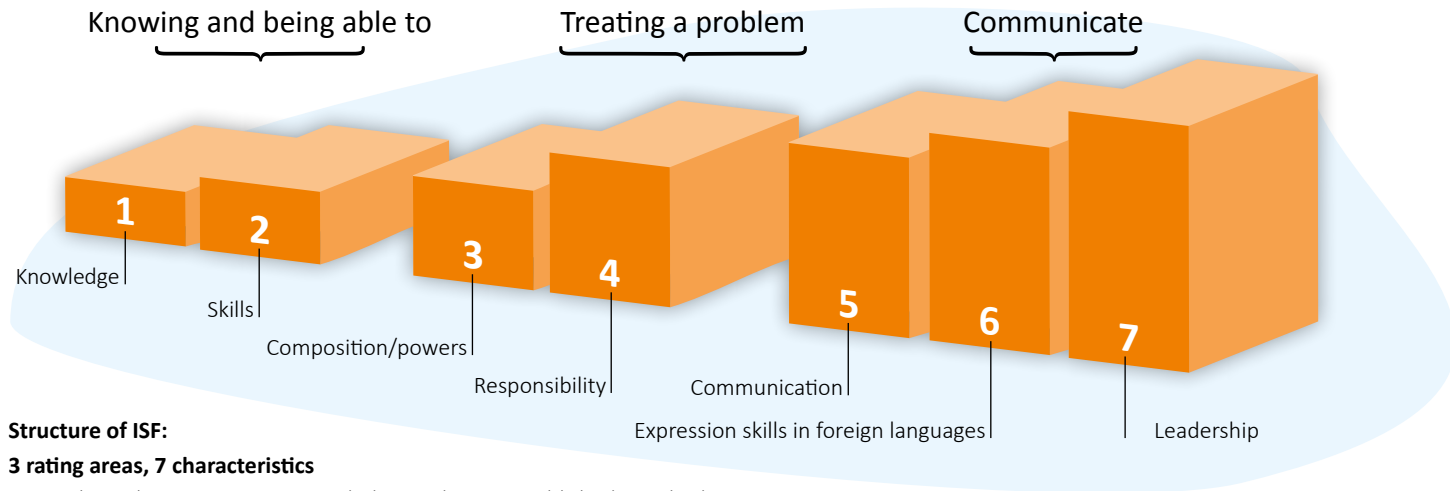
A job evaluation or grading system has so-called (system) characteristics. These are yardsticks by which any job can be graded. Jobs differ in terms of required knowledge and experience, responsibility, manual dexterity, establishing or maintaining contacts, solving problems, and so on.

Job grading systems therefore have more yardsticks. These are all assessed against the position to determine its significance. This has the advantage that even the most diverse jobs can be measured using the same criteria. For example, the job of maintenance engineer, secretary, head of warehouse, account manager or programmer.



Okay, but what is ISF?

Now that we have discussed the concept of job evaluation, we can talk about ISF. This Integrated Job Grading System is developed by FME in close cooperation with the trade unions for the Technology industry. 'Integrated' means nothing more than that it is one system suitable for all jobs up to management level.



Structure of ISF:

3 rating areas, 7 characteristics

For each attribute, points are awarded according to established standards (matrices and tables). On the following pages you can read what is measured for each characteristic.

KNOWING AND BEING ABLE TO



1

How much knowledge and experience is needed?

Knowledge: the exact 'amount' of knowledge and experience required to fill the position is considered. The system has a number of characterisations of knowledge and experience. Note: this is considered from the perspective of the position. Whether someone has more or different knowledge and experience than required for the job is not interesting for the job evaluation. Also the received (school) education or diplomas of a job holder do not count. Job evaluation is about the value of the job, not of the person. The classifications range from very little knowledge and experience to a great deal of specialist knowledge and very long experience.

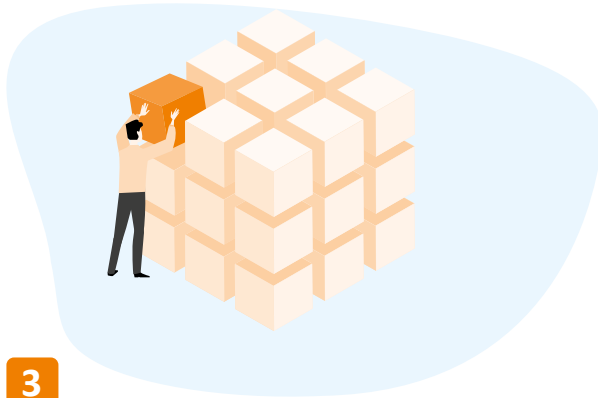


2

What skills and conditions?

Manual dexterity plays a major role in many jobs in the industry. Think, for example, of welders, mechanics or toolmakers. Manual dexterity looks at two things. Firstly, how accurately or precisely to work with the hands. Secondly, under what conditions (obstacles) the work must be done manually in such a role when it comes to achieving the required level of precision.

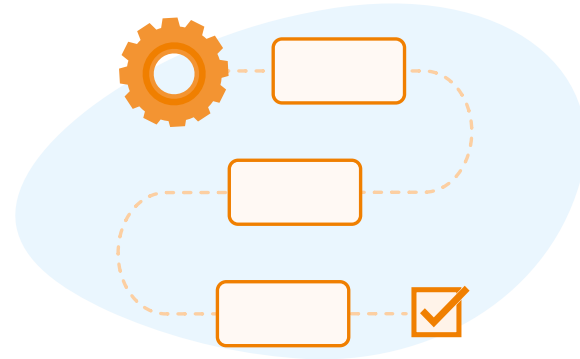
TREATING A PROBLEM



3

How complex is the work?

It concerns the complexity of the tasks and the level of independence the role entails. Complexity involves, for example, the amount of different areas of focus, the complexity of the problems that arise and/or the creativity or inventiveness required for the job. In the case of independence, the work may be entirely determined by the machine being operated. Or there may be only one way to do the work, by not allowing an inch of deviation from instructions. However, there are also jobs where the work may be done in a number of different ways and where the employee has the freedom to choose how the work is done. This means that the person is allowed to make decisions on how the job is done (authority).

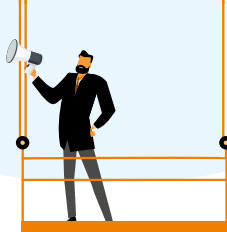


4

What is the desired outcome of responsibility?

People often say that their work is very responsible. Most consider this an important matter. Of course, this characteristic is also reflected in ISF. In the characteristic of Responsibility, attention is given to the positive consequences that the performance of the position should have. In other words, what is the desired outcome? In addition, the possible negative consequences also play a role. For example, how likely is it that mistakes will be made? How bad is that? Are mistakes allowed or do they have serious consequences? What possibilities are there to correct those mistakes? Moreover, it is also important whether the work is controlled within the company or whether the error is only discovered during assembly or with the customer. The much discussed 'detriment risk' of a job is included in this characteristic.

COMMUNICATE



5

Communicate with whom and about what?

Contacts occur in almost every job, both within (internal) and outside the company. ISF involves the level-dependent contacts required to perform the job. These can be both oral and written contacts. It makes a difference with whom the contacts take place and about which subjects. Is it about exchanging simple information or does another person have to be convinced? How intensive are the contacts? What demands are made on the use of words in the job? How necessary is it for information to be transferred or recorded unambiguously? To measure this, ISF has the Communication characteristic. For example, the requirements range from a use of words that is no different from everyday to drafting and recording important agreements with customers.

6

What are the requirements for using foreign languages?

Some jobs require the use of a foreign language. This can be oral or written. What are the requirements for using those foreign languages (such as English, German or French)? What is the depth or complexity of conversations or topics that need to be written down?

7

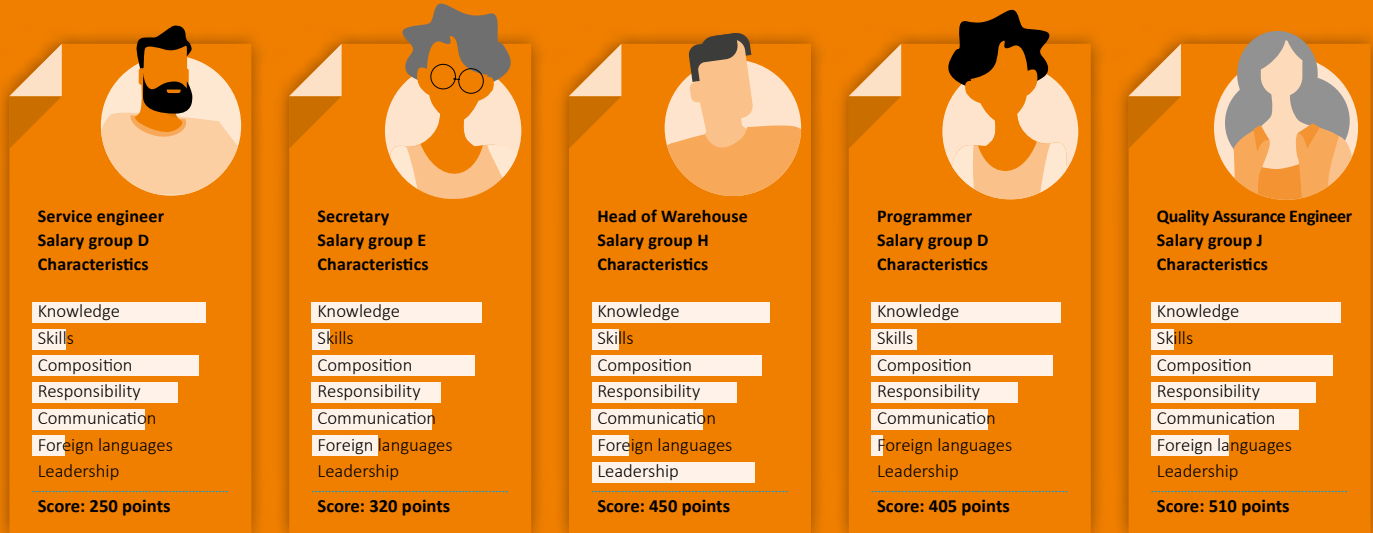
Managing... how many (quantity) and at what level (quality)?

The majority of jobs do not involve managing others. Then this characteristic is not an issue. For functions in which others are managed, it is obviously very relevant. Leadership involves two things. The number of people being managed and the nature or content of the management. For example: how should people be handled? Is it just about giving instructions or also about determining promotions, for instance? To what extent should the work be organised and managed? Team management, managing colleagues and/or hired staff and project management are also identified using this characteristic.

EXAMPLE FUNCTIONS

ISF has over 200 example positions

Apart from an explanation and a rating method for each characteristic, ISF includes more than 200 example positions. These are jobs commonly found in the technology industry. Some 180 positions fall within the scope of the basic Collective Labour Agreement (scale A to K). Over 40 positions fall within the scope of the higher personnel (HP) Collective Labour Agreement (scale L to Q).



Examples shown are fictitious layouts and no rights can be derived from them.

So... How exactly does the ISF implementation work?

For each company, all functions are described. A good description is necessary to get a complete picture of the job and its main components. After that, the jobs can be graded.

Tables and matrices

Evaluation is done using the tables and matrices included in the system text belonging to the ISF system. The job evaluator reads the job description several times in its entirety to 'get the hang of it'. Then, using the system text and the example positions, points are awarded per characteristic for the level-defining aspects listed. One does not receive points per sentence, but points for the total which is of importance for that characteristic.

Comparable functions

Furthermore, comparable positions from the sample material are examined. How are these sample jobs structured? Where are these example jobs positioned within the organisation? How they are graded is then the question for the job evaluator. Finally, the points assigned to other jobs in the company are considered (overall picture). This results in a ranking by job weight. Once each characteristic of the job has been rated, all the points are added together to arrive at a total number of points. Which total scores (number of ISF points) belong to which salary group is regulated in the CLA Metalektro.



By whom exactly are the job descriptions defined or graded?

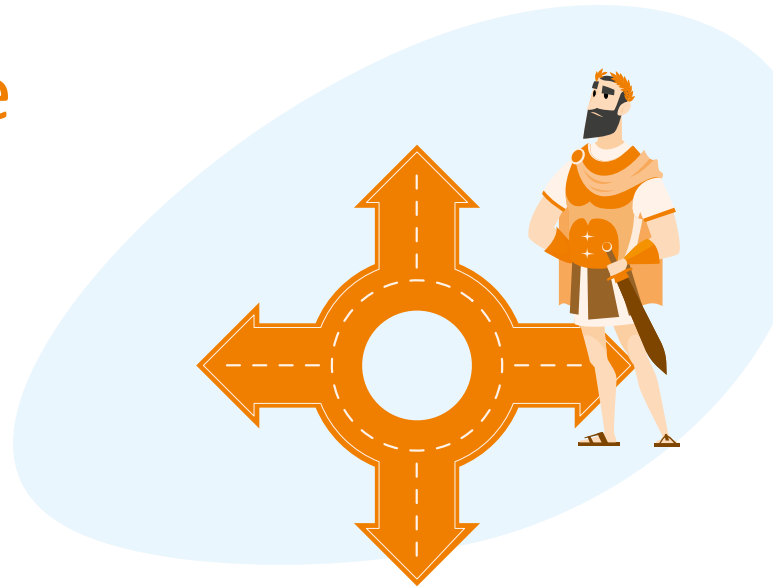
Several roads lead to Rome!
Some of the possibilities.

Internal interviews?

To create company job descriptions, a job evaluation expert can, for example, interview the relevant manager about the content of the job. Once all the data is available, a draft job description is made. This is initially submitted to the manager to check whether the job description matches the actual or desired situation. Then the description is also submitted to the employee(s) with the request to check it. This is also called verification in the CLA Metalektro. When the descriptions are final, the jobs can be graded.

External professional FME or valuation committee?

Job evaluation can be carried out by the FME expert, but also, for example, by a company evaluation committee together with the FME expert. The members of this committee are trained by FME. FME also verifies whether the entire process was carried out correctly and whether the system was applied correctly. Furthermore, FME ensures, that the unions' job evaluation experts receive a copy of the approved job manuals.



ISF IMPLEMENTATION



Do all jobs have to be defined in ISF?

Not all jobs need to be described. In some companies, there are simply too many jobs to do this! In those cases, describing a selection of jobs is enough. Once these jobs are rated and classified, they are called key positions. By comparing the other jobs in the company with the key positions, those positions can also be classified into a job or salary group. The method of key jobs can be practical especially for large companies. It is still possible to substantiate pay ratios in an objective and fair way.

How does ISF pay off?

Of course, companies and employees will come up with their own answers to that question. A major advantage of ISF is, that jobs are graded in a careful and objective way. Not an arbitrary but a fair comparison of differences and similarities between jobs. Also, a degree of certainty has been created for both the employee and the employer and, lastly, salaries can be tested for market conformity (benchmark).

ISF: an accepted system

ISF was developed in close cooperation between FME (appointed as system holder of the system) and the trade unions. Moreover, employers and unions have reached agreements on how to apply ISF correctly. These parties, involved in the conclusion of the Collective Labour Agreement, recommend employers to apply the ISF system.

How does ISF affect me as an employee?

It is certain, that applying ISF can have consequences for employees. It is therefore obvious to involve employees and their immediate supervisors in its implementation. A project plan is drawn up containing agreements on a committee, project team and/or a steering committee and how the main parties (such as the works council, unions, managers and employees) will be involved in the introduction of ISF. Some of the project agreements are laid down in the Collective Labour Agreement. Each company can decide how to give further shape to the project agreements.

You will come across ISF often

Even if you are not on a committee, project team or steering committee, you will regularly come across ISF.

Here are some examples.

- ✓ getting information from the works council
- ✓ introduction and explanation of the process and planning for implementation in the company
- ✓ providing information about your job
- ✓ checking the job description and providing feedback if necessary
- ✓ written communication of the classification of your job
- ✓ lodging an objection regarding the job classification if necessary

Objection procedure

The Collective Labour Agreement includes agreements on how employees can appeal or object to the classification of their job. If you appeal against the job classification, this will first be investigated further within your own company. The outcome of that investigation is communicated in writing. If you disagree with this, you can turn to the union. At least, if you are a member. In that case, a job evaluation expert of the union together with a job evaluation expert of FME will investigate the complaint and give a decision that is binding for both parties. If you are not a member of a trade union, you can lodge an external appeal against the classification of your job via your company's HR department. In that case, job evaluation experts from FME will investigate the complaint and issue a ruling that is binding on both parties.



For more information on
this ISF information guide,
contact your HR department.
They will be happy to assist you.

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