

# Job Evaluation

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'THE Central Pay Commission's recommendations are no longer applicable as the conditions have changed since 1950 when that Commission reported. It is now expected Wage Boards would be formed and that pay scales will be fixed and wage disputes solved on a more scientific basis than had been attempted in the past. This must certainly be the rationale of appointing Wage Boards. But even if conditions had not changed, the recommendations of the Central Pay Commission would still be unsatisfactory because though the Commission recognised that job evaluation was the scientific method of pay and wage regulation, it did not attempt such evaluation.

This being the only scientific basis for determining wages, it is to be presumed that the Wage Boards, when they are formed, would follow this method. It has been found by experience in other countries to offer the best solution of wage disputes, and thus proved to be an effective means of reducing labour discontent as well as loss of man days; besides promoting better industrial relations generally. Of late, there has been an appreciable deterioration in industrial relations judged by the number of disputes, of workers involved and man-days lost and wage grumbles have also become louder. The case for scientific job evaluation for rationalising the structure of wages in industry, therefore, cannot be deferred for long, particularly in view of the large scale industrial expansion undertaken under the Second Plan. An attempt is made below to explain the method of job evaluation.

Since most of the disputes and collective bargaining hinge on the question of wages, any fair wage administration should aim at the following:

1. Parity of pay according to the nature of the work. This also means equal pay for equal work, and proportionate pay for proportionate work. This can be accomplished through job evaluation.

2. There should not be too wide a difference between the bottom and top of the scale in time-scale of pay,

3. Manual labour should be better paid if greater dignity is to be attached to labour. This is, however,

not a separate issue: it will come automatically when job-evaluation system is introduced.

## Job Evaluation Method

The point system of job-evaluation is more commonly in use than other methods. Each job or class of jobs can be evaluated in terms of several factors associated with the physical and intellectual requirements, together with the responsibility and risk involved. Each factor should be defined and well understood, and the necessary score points should be assigned to each. The evaluation, schedule should be prepared by experts who are conversant with the jobs, and should be examined by the representatives of the parties concerned. In order to establish a nation-wide standard, the committee may include members from the Government, Labour Tribunal officials and leaders of recognized Labour Unions. The evaluation plans can also be adopted industry-wise, or organization-wise.

An example of a job-evaluation schedule used in some American industries, is given below.

The score points advance from minimum to maximum in six equal steps. For instance, item (1) will score one of the six degrees 15, 30, 45, 60, 75 and 90 in different jobs. Each degree or step should also be well defined so that the evaluating members can come to a closer agreement and understanding. Only two out of the above twelve factors are elaborated here by way of explanation. Education required, 1st

degree (15 points)=Ability to read and write; 2nd degree (30)=Grammar school education; 3rd degree (45)=2 years of high school or trade school or equivalent; 4th degree (60)=4 years of high school or graduation from business school or equivalent; 5th degree (75)=2 years of college training or equivalent; 6th degree (90)=college or university degree or equivalent. Experience required: 1st degree (25)=upto 2 months; 2nd degree (50)=2-6 months; 3rd degree (75)=6 month—2 years; 4th degree (100)=2-4 years; 5th degree (125)=4-6 years; 6th degree (150)=over 6 years. The schedule can be modified to suit Indian conditions.

As a first step, a few representative types of jobs should be evaluated. All the jobs cannot be evaluated all at once. But the beginning must be made with the important classes of jobs. Once this is done, other jobs can be fitted in among them until the scope of the evaluation is extended to cover all of them.

A single evaluation schedule can be used to cover a large number of jobs and a wide range of pay. A uniform plan has sometimes been used to cover the hourly-based wages and the white-collar salaries upto \$ 4000 per year (approx Rs. 1500/- per month). Different plans are also used.

## Merit Rating and Job Pricing

Job-evaluation and merit rating, however, are quite different. Job evaluation fixes the relative job merits, while merit rating relates to

### Job Evaluation Schedule Used in Some American Industries

Factors	Points	
	Minimum	Maximum
(1) Education required	15	90
(2) Experience required	25	150
(3) Initiative required	15	90
(4) Physical effort required	6	36
(5) Mental effort required	6	36
(6) Visual attention required	6	36
(7) Responsibility for tools and equipment	4	24
(8) Responsibility for materials or products	4	24
(9) Responsibility for confidential data	4	24
(10) Responsibility for reports and records	4	24
(11) Working conditions	6	36
(12) Unavoidable hazards	5	30
	100	600

the relative abilities of the individual workers. Thus Job evaluation helps in fixing job prices (pay or pay-scale), and merit rating helps picking out efficient workers for promotion, extra advancement, reward, etc.

Job evaluation gives the respective total score points for the different jobs. Thus the relative values of the jobs are obtained. Now if each point or each 100 points are assigned a money value, the respective pay for the different jobs becomes rationally fixed.

The job prices obtained by the above method may be taken for the base of scale of each job. Fixed pay does not provide incentive. Incentive programme based solely on merit rating is practically unworkable. Usually a time-increment scale is used. In a few organizations some merit increment (e.g. production bonus on individual or collective production) is given in addition to the time-scale.

#### Time Scale

Time-increment, if too meagre, however, would not provide sufficient incentive to the employees. On the other hand, if the top of the scale is very much higher than the start there is likely to be admini-

strative abuse. The time-scale should be fairly commensurate with the increase of production or quality with experience on the job. The rate of increment cannot however, be quite equal to the increase in production or quality but somewhat more than that, considering the need for increased earning with age and on other considerations.

It has been observed that time increment smaller than 5% per year hardly provides any incentive. It has also been held by some experts that an increase of 50% through the scale-period should be considered too high and it betrays the purpose of job evaluation. The basis of the argument is that the full time-efficiency (experience) reaches its highest within some five years or so on a particular job. Thus a long drawn out time-scale with a wide factor between the final and initial pay (final as 2-3 times initial, in many of our pay scales) would be inadmissible under any scientific pay administration.

The long drawn out time-scales, prevalent in our country, are not justified by time-experience efficiency. It is also a system which encourages mediocrity and play-safe attitude in

contrast to initiative and positive action. Better efficiency can be expected through narrower time-scales (not exceeding through 5 or 7 years) with adequate job grades for promotion and with the provision for merit-incentives.

(Merit rating by the annual confidential reports as usually followed in this country, specially in Government or semi-Government departments, should be discontinued forthwith and should be replaced by point rating system on well-defined factors).

#### Basic Rates

The basic rates of pay and wages should take into consideration the statutory minimum wage, prevalent rates and cost of living. The rates should be as consolidated as possible, and should exclude allowances under various names. This will make the status of the employees better understandable or comparable, and will also make the accounting easier.

It need not be thought that job-evaluation is an extremely complex and time-consuming undertaking. Records show that nearly 100 jobs can be described and evaluated per month. Sooner we start on this scientific procedure the better.

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