

A Modified Plan of Job Evaluation

Its Social Implications

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IN the last issue, the place of job evaluation in a scientific method of wage determination and pay administration was explained, and the point system of job evaluation, which is more commonly in use than other methods, was illustrated with the help of a schedule (or score-point plan) used in some American industries which can be modified to suit Indian conditions. The number of factors enumerated in this schedule was 12 (see table on page 260), with six degrees of equal steps. The schedule may now be made more explicit by introducing all the six degrees (see Table I below).

All jobs can be scored against a plan like this (modified, if necessary) and their relative total score points will fix the relative money earning (pay and wages).

The Disparity Factor

It was mentioned that a single schedule can be used both for wage earners at the lower range and the salaried men at the upper earning level. A certain manufacturing concern successfully used a single plan to cover personnel earning upto some \$330 per month, where the minimum pay might have been around \$100-120, judging from prevalent standards. This gives a factor of 3 for the maximum to minimum pay (or score point).

The 6 degrees of equal (arithmetic) steps in the score points give a maximum factor of 6 for the maximum-to-minimum in the total scores. Thus the difference is less than six times (i.e. the ratio is less than 6) between the highest and the lowest pay in the system. We shall call this ratio of highest-to-lowest pay as the disparity factor. If we assume that the lowest score for a particular job is about the 'second degree' average (around 200) and the highest score is about the fifth degree average (around 500), we get a disparity factor of nearly 3.

A 6 degree arithmetical step will give, as seen before, a relatively low factor of disparity. Disparity of pay between different jobs is inevitable since there is the inherent dis-

parity in job weights or job-values (in respect of skilful effort, responsibility and job conditions, expanded in the 12 factors), and that is what the job-evaluation or pay administration aims at finding out. But the degree of differences (factor of disparity), measured by score point or money value (somewhat arbitrarily, though) must nevertheless have a rational basis. We now pay Rs 75 to a subordinate staff and Rs 1500 to a well placed officer, giving a disparity factor of 20. This factor, however is not the ceiling between the salaried personnel, it goes up to 40 or so.

Any well thought-out job evaluation plan will dispel such wide disparity for those jobs which fall within the scope of the plan. Considering the prevalent disparity, the first reaction would be not to use a uniform plan for all jobs. The question would arise, in that case, how many separate plans should be used, and what range of pay should each plan cover? The answer will depend on how much disparity we would like to maintain.

If this be the guiding principle, we shall be starting from the wrong end. The aim of job-evaluation is to establish the intrinsic differences between jobs, and not to

accept a pre-determined difference. It should be admitted, however, that the local sense of values has some bearing on the assignment of score points on each factor as also on the degrees or incremental steps.

A two-class System

Where the single-plan system is not used, a two-plan system is used for 'labour' grades and salaried grades. The two evaluation schedules under the circumstances would generally use two different sets of factors. The incremental steps in each schedule go by equal arithmetical pace.

Even then the factor of disparity of pay under each schedule does not increase beyond 3 or 3½, although the disparity may be increased to a higher value between the two system.

Taking a general view of this two-class system, we find that our so-called labour grades have, in the present structure, a probable maximum disparity of 3 or so, but in the white collar class the disparity factor is extraordinarily high, as noted before.

No major problem will, therefore, arise in the lower system by adopting a plan like the one shown in Table I. But if the disparity factor

Table I—Point-evaluation Plan

Factors	Degrees and Points					
	First	Second	Third	Fourth	Fifth	Sixth
1. Education required	15	30	45	60	75	90
2. Experience required	25	50	75	100	125	150
3. Initiative required	15	30	45	60	75	90
4. Physical effort required	6	12	18	24	30	36
5. Mental effort required	6	12	18	24	30	36
6. Visual attention required	6	12	18	24	30	36
7. Responsibility for tools and equipment	4	8	12	16	20	24
8. Responsibility for materials or product	4	8	12	16	20	24
9. Responsibility for confidential data	4	8	12	16	20	24
10. Responsibility for reports and records	4	8	12	16	20	24
11. Working conditions	6	12	18	24	30	36
12. Unavoidable hazards	5	10	15	20	25	30
Total:	100	200	300	400	500	600