Job Evaluation Evaluated

WALLACE CROMPTON

THE absurd notion of using job evaluation as a means of arriving at "fair" rates of pay has now become respectable. At one time, the idea that the forces of the free market were responsible for most of our social ills was confined to Marxists. Now, many, although they would deny being socialist, no longer have confidence in the market as a means of determining the exchange value of goods and services.

The control of prices has been tried often enough and has always failed abysmally. Despite this, faith in it persists, and today it is still part of the philosophy of the main political parties, who are prepared to adopt it as expediency demands.

The control of prices is, however, so formidable a task that even its greatest advocates are obliged to compromise. But the regulation of wages seems to have offered more scope—for a while anyway.

One of the inevitable side-effects of wage freezes is the breakdown of differentials, so that when a freeze ends, the restoration of differentials in pay are demanded as part of any new pay deal.

This has high-lighted the "need" for job evaluation as a means of reconciling conflicting claims as to what one job is worth in relation to another.

One of the reasons that job evaluation is felt to be necessary is the absence, in large areas of employment, of free individual bargaining. Collective bargaining and the closed shop have effectively destroyed the individual market in wages in the areas in which they operate. Pockets of resistance still remain where employers and employees negotiate individually to their complete satisfaction. However, when it comes to negotiating for hundreds of thousands of employees in factories and workshops, arguments over differentials become predominant. The efficacy and morality of paying union-established wage rates to thousands of individuals, many of whom have been coerced into unions and thus had their own individual bargaining rights taken away from them, is never questioned. Of course those who argue for job evaluation will insist that the wage rate arrived at must be 'acceptable'. This of course means acceptable to those doing the evaluation not necessarily to the individual.

Job evaluation was explained in a recent article in *The Times,* by two consultants of P.A. International Management Consultants. Job evaluation, they say, aims to establish a fair and acceptable relationship between jobs in an organization. It defines the ring in which the subsequent skirmishing about pay levels takes place. The skirmishing is presumably a kind of collective higgling of the market.

The authors admit of course that job evaluation is not a scientific and totally specific way of measuring and comparing jobs. But it is, they say, a logical approach to the establishment of fair wages between jobs.

The conceit leading to the belief that the natural forces of economics, which are part of man's nature, can be dispensed with knows no bounds. Job evaluation systems, say the authors, divide

broadly into three types: "whole-job ranking", "factor analysis", and "classification". The skill of the personnel executive or the consultant, "lies," they say, "in selecting the correct approach for each different application."

"In whole-job ranking, jobs are compared one against the other and a rank order of jobs in order of seniority is produced. Factor analysis involves the breaking down of jobs into segments and their measurement according to predetermined factors.

"Classification consists of a series of predetermined grade descriptions in ascending order of scope and responsibility; all jobs in the organization are then allocated to the appropriate grade."

Thus we hear of paired comparisons, profiling, factor analysis, decision band theory, guide chart and weighted points, etc.

The system is described in some detail and here is a typical paragraph: "Evaluation is by a trained panel of company employees. Typically they will score jobs against factors, allocating a degree (one to six) to each job. In addition they will rank all the jobs by comparing each whole job with every other."

The authors concede that salary bands are determined by prevailing market rates, demand and supply for a particular job group, location and by negotiation. This, however, appears to be only a starting point. Answering the question of how, under job evaluation, the employee gets from one salary grade to the next, they state that going back a decade this was often done by the manager's assessment of individual performance but now, union influence, together with inflation, have altered this and there is a strong movement towards fixed incremental salary progression.

The fatalistic acceptance that union power, collective bargaining and inflation are to be accepted as a way of life from now on, indicates how far we have come along the road to a corporate state. The authors will probably deny being Marxists, collectivists or even socialists. Yet that is the road they are inevitably treading in aiding and abetting the extinguishment of the free market.

Perhaps the authors should reflect upon where the logic of their thinking will ultimately lead them; a price is in effect a wage. They are two sides of the same coin, and if there is to be a job evaluation then there must eventually be price evaluation and that will be the end of the road.