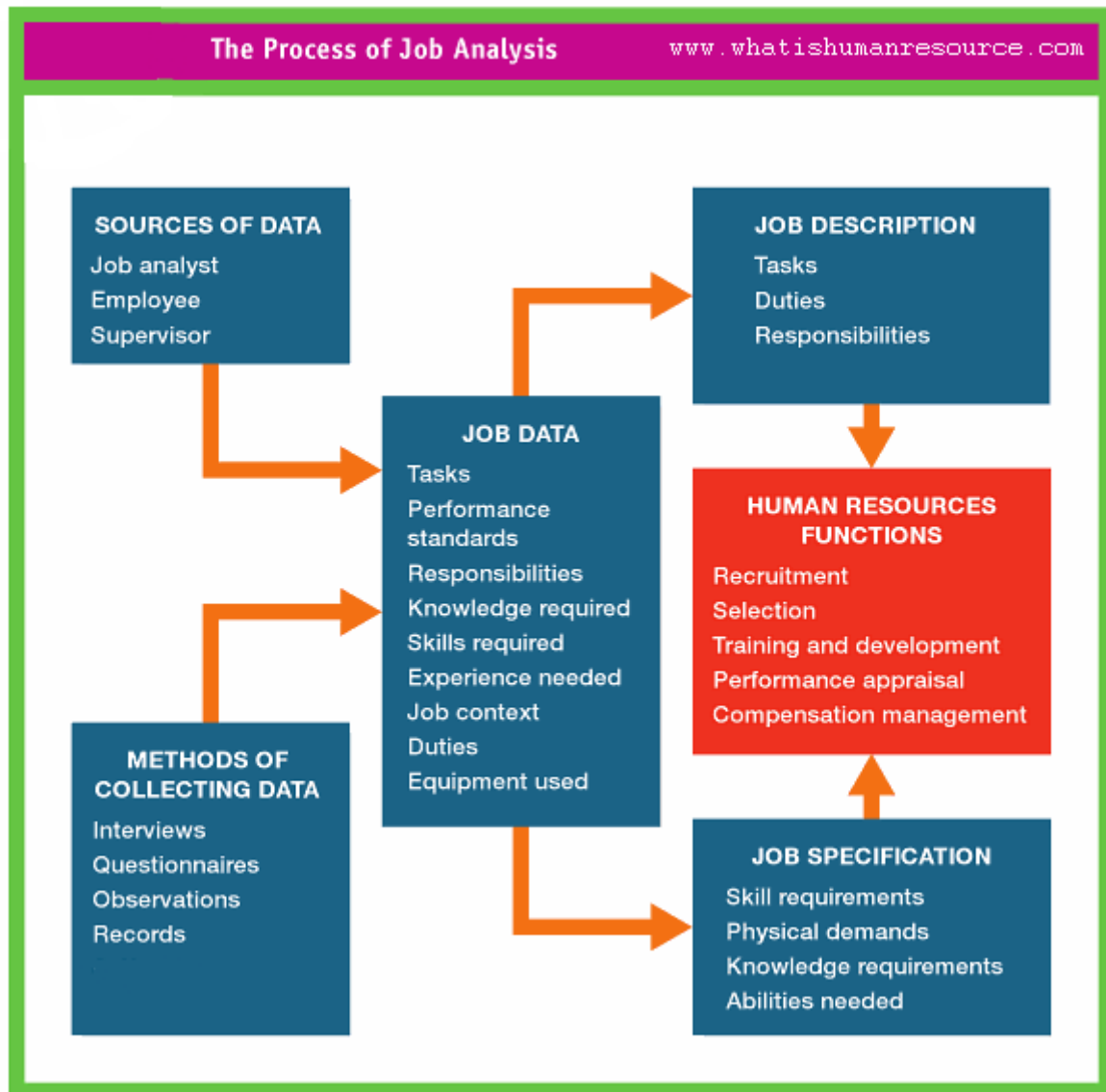


PROCEDURE FOR JOB ANALYSIS

"Job analysis is the process of critically evaluating the operations, duties and relationship of the job."

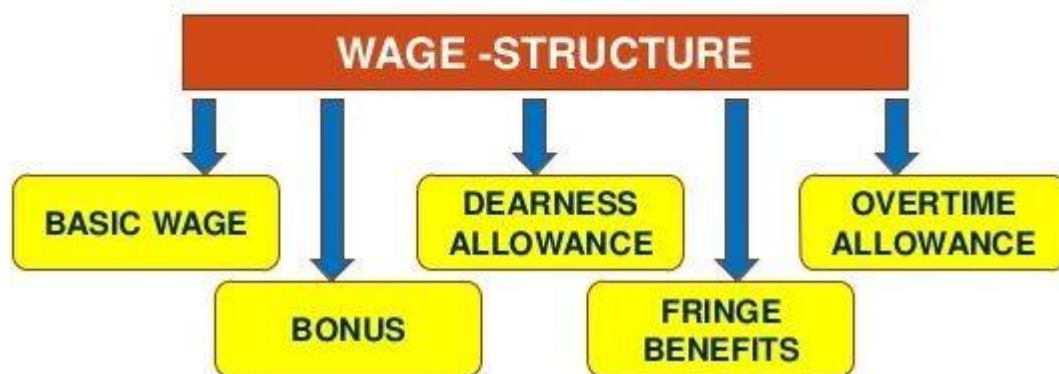
In simple words Job analysis is a formal programme which examines the tasks, duties and responsibilities contained in an individual unit of work.



Wage structure in India

- The employee benefit package normally contains apart from basic pay, a dearness allowance, overtime payment, annual bonus, incentive systems, and a host of fringe benefits.

Components of wage structure



Basic Pay

The concept of basic Pay is contained in the report of the Fair Wages Committee. According to this Committee, the floor of the basic pay is the “minimum wage” which provides “not merely for the bare sustenance of life but for the preservation of the efficiency of the workers by providing some measure of education, medical requirements and amenities.” The basic Pay has been the most stable and fixed as compared to dearness allowance and annual bonus which usually change with movements in the cost of living indices and the performance of the industry.

Dearness Allowance

Dearness allowance is a **cost of living adjustment allowance** paid to the government employees and pensioners. **It is one of the components of salary**, and is counted as a fixed percentage of the person's basic salary. It is adjusted according to the inflationary trends to lessen the impact of inflation on government employees.

The fixation of wage structure also includes within its compass a fixation of rates of dearness allowance. In the **context of a changing pattern of prices and consumption**, real wages of the workmen are likely to fluctuate greatly. Ultimately, it is the goods and services that a worker buys with the help of wages that are an important consideration for him. The real wages of the **workmen thus require to be protected** when there is a rise in prices and a consequent increase in the cost of living by suitable adjustments in these wages. In foreign

countries, these adjustments in wages are effected automatically with the rise or fall in the cost of living.

House Rent Allowance

House rent allowance (HRA) is paid by an employer to the employee to meet expenditure actually incurred on payment of rent in respect of residential accommodation occupied by the employee.

Overtime Payment

Working overtime in industry is possibly as old as the industrial revolution. The necessity of the managements' seeking overtime working from employees becomes inevitable mainly to overcome inappropriate allocation of manpower and improper scheduling, absenteeism, unforeseen situations created due to genuine difficulties like breakdown of machines. In many companies, overtime is necessary to meet urgent delivery dates, sudden upswings in production schedules, or to give management a degree of flexibility in matching labour capacity to production demands. The payment of overtime allowance to the factory and workshop employees is guaranteed by law. All employees who are deemed to be workers under the Factories Act or under the Minimum Wages Act are entitled to it at twice the ordinary rate of their wages for the work done in excess of 9 hours on any day or for more than 48 hours in any week. The major benefit of overtime working to workers is that it offers an increase in income from work.

Annual Bonus

The bonus component of the industrial compensation system, though a quite old one, had assumed a statutory status only with the enactment of the Payment of Bonus Act, 1965. The Act is applicable to factories and other establishments employing 20 or more employees.

Fringe Benefits

The remuneration that the employees receive for their contribution cannot be measured by the mere estimation of wages and salaries paid to them. Certain supplementary benefits and services known as "fringe benefits" are also available to them. The characteristics of fringe benefits are:

1. These benefits are distinctly additional to the regular wages paid to the workers. As such, they are not provided as a substitute for wages or salaries of the employees.
2. These benefits are meant primarily to be of advantage to the employees.
3. The advantages accrued to the employees through the provision of fringe benefits are as such they cannot be secured through their own individual efforts.

4. Only those benefits fall within the purview of fringe benefits which are or can be expressed in cash terms.
5. The scope of fringe benefits is different from that of welfare services. Fringe benefits are provided by the employers alone whereas welfare services may be provided by other agencies as well. Benefits that have no relation to employment should not be regarded as fringe benefits.