

Exploring Experiential Learning: Simulations and Experiential Exercises, Volume 5, 1978

EXPERIENTIAL LEARNING IN WAGE AND SALARY ADMINISTRATION

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During years of experience in teaching wage and salary administration at the undergraduate level, I have found it difficult to give the student the “feel” of what is involved and why. The difficulty exists primarily because the student is generally so unfamiliar with the environment within which job evaluation, employee evaluation and wage incentive systems function. Spending the entire quarter discussing theory leaves the student at a loss when later trying to put some of the theory into practice.

The lecture method will not do what should be done in such a course; therefore, an experiential approach was funded by a Faculty Teaching Fellowship from the Capital Gifts Program of the College of Business Administration, The University of Tennessee-Knoxville.

DEFINITION USED

Many attempts have been made to define experiential learning, but the one which applies to the procedure followed in this experiment follows the thinking of Carl Rogers [1, p. 5]:

It has a quality of personal involvement--the whole person in both his feeling and cognitive aspects being in the learning event.

As will be explained later, the procedure also followed the Experiential Learning Model of David Kolb [2, p. 25].

ASPECTS OF WAGE AND SALARY ADMINISTRATION COVERED

Wage and salary administration is concerned with all money problems involved in keeping an employee on the payroll. Even though fringe benefits play an important role in the total “package,” little detailed coverage of such benefits was included in the course. Emphasis was placed on the techniques of job evaluation, employee evaluation, and wage incentive plans.

PROCEDURE FOLLOWED

The Experiential Learning Model of David Kolb consists of a four-phase loop procedure which involves (1) concrete experience, (2) observations and reflections, (3) formation of abstract concepts and generalizations, and (4) testing implications of concepts in new situations.

Concrete Experience

After becoming familiar with the basic aspects of wage and salary administration, the students first got concrete experience

in designing job evaluation and employee evaluation systems for a simulated industrial company.

The class was divided into teams of three or four persons each, and the consulting teams worked in much the same manner as a committee would work in an actual situation. The students made all policy decisions regarding the system, including deciding which jobs to evaluate, distinguishing the different job families, what type of system to use, etc. After all such decisions were made, the system was designed and implemented in the hypothetical company.

It was assumed that the company is a chemical company producing some industrial and some consumer products. The company is involved in both basic and applied research. There are about 5,000 employees, with 3,500 on the hourly roll and 1,500 salaried employees (clerical, technical, semi-professional, professional, and managerial). The company is located in a small city (population 8,000) which is only fifteen miles from a large city of a quarter million population. Unemployment in the area is below the average of the nation.

Each student went into actual businesses and industrial establishments and analyzed jobs which would fit into the simulated company, and then they were required to write job descriptions and specifications for each job, following the format decided upon by the class members.

Just as a consultant would do, they designed rating scales, evaluated jobs, conducted wage surveys, drew wage curves, and established the final pay structure.

Then the same type of procedure was followed in designing an employee evaluation system for the simulated company.

These systems were patterned strictly after traditional procedures which are described in basic textbooks. For example, the job evaluation system followed the strict step-by-step procedure for a point system of job evaluation, and the employee evaluation system was a graphic system with values assigned to each factor or characteristic used.

Observations and Reflections

After completion of these projects the students were given the opportunity to observe actual installations and to hear details of other popular systems of job evaluation and employee evaluation. For example, they spent one day with a Principal of Hay and Associates in discussing the Hay Profile Plan. The experience included the simulation of jobs through the evaluation procedures of the system.

I was able to attend a seminar on the new Evalucomp system

of the American Management Association and brought back to the class details of this system for their information and reflection.

Concepts and Generalizations

After adequate reflection about these and other possible systems, the students were able to form concepts and generalizations regarding job evaluation systems in particular, but also having to do with employee evaluation systems and wage incentive systems.

Testing Concepts in New Situations

In the final phase of the Kolb Model, the students were able to see these concepts in practice in new situations. For example, a day was spent with administrative officials of one of the nation's most progressive public school systems, where they are in the process of using basic wage and salary administration concepts as they can be adapted to an educational environment.

Experience with Wage Incentive Systems

As a result of my many years of experience in helping to install and maintain wage incentive systems, both as an industrial engineer employed by companies and as a consultant, we were able to evaluate all the advantages and disadvantages of such plans.

Going back to the hypothetical company, all operations were investigated to determine whether or not an incentive system would be applicable and advantageous to the company. The many types of systems were evaluated before a decision was made as to which type would be best for our company.

Attention was given to work measurement techniques which would be most applicable to set standards for our type of operations, to the selling of the system to management and to the employees, to the installation of the system, and to the maintenance of the system to assure its continued success.

Observations and reflections were made at two different locations in the Knoxville area. First, a trip was made to Burlington Industries in Rockwood, Tennessee, in order to see a plan where about half the employees are covered by an incentive plan and the other half work for only an hourly rate. Students were given the opportunity and complete freedom to talk with management, with the industrial engineering staff which installed and maintains the system, and with hourly paid employees regarding all aspects of the system. They were able to compare worker interest, productivity, etc., under the two conditions, those on incentive and those not on incentive. The plan at this company is highly successful, and students were able to pick out those employees who were covered by the wage incentive plan.

Then time was spent talking with management at Wall Tube and Metal Products,

Division of Phillips Petroleum in Newport, Tennessee, where I helped supervise the installation of a highly successful wage incentive plan. At this company the system for direct workers was so enthusiastically received that present plans call for coverage of all employees in the company, direct and indirect. The president stated that the company could not have remained competitive over the years had it not been for this system.

RESULTS

It is difficult to measure accurately the results of such a venture, but I have never seen a class where the students were as highly motivated, even though the time required was at least twice as much as is normally expected of students in a course such as this.

Examinations and class projects were as good as I have ever experienced in an undergraduate class. In fact, for the first time in my teaching career all students made A or B in an undergraduate class.

I had the students evaluate the course and the instruction, and on an overall basis, both received a perfect evaluation of A.

Typical of comments from students were as follows:

This course is definitely the best I have ever had. The actual experience teaches one so completely.

This course is probably the most beneficial one I have ever taken. I am honored to have been in this class this quarter.

It would be very good if money were available to conduct all courses in this manner. We as students would be much better prepared for jobs.

After four years in business administration this is the first course where I have had an opportunity for plant visits. Practical knowledge was gained that can actually be put to use on a job.

Areas studied in class were seen in actual operation through field trips and guest speakers.

It not only provided answers to test questions, but it stimulated related questions from the field work.

As a result of the course a large number of the students are interested in going into wage and salary administration. In fact, two of them have already.

REFERENCES

1. Rogers, Carl, Freedom to Learn. (Columbus, Ohio: Charles B. Merrill, 1969).
2. Byrne, Eugene T. and Douglas E. Wolfe, "The Design, Conduct and Evaluation of a Computerized Management Game as a Form of Experiential Learning." The Proceedings of a National Conference on Business Gaming and Experiential Learning Held at Oklahoma Christian College, April 26-27, 1974.