

~~PAUL GRAY~~

Price Increase²

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'EQUAL PAY' AWARDS BY J SAINSBURY AND MARKS & SPENCER

The decision by Sainsbury to grant pay rises ranging from 8.5% to 21% for retail staff is seen by other retailers as a precipitate response to an industrial tribunal case under the 1983 'Equal Value' amendment to the 1970 Equal Pay Act.

But Marks & Spencer has followed suit and many others will do so. The 'knock on' effect must be very significant; it had been assumed that we were about twelve months away from decisions of this sort.

Howell Harris Hughes

HOWELL HARRIS HUGHES

M and S sales staff win 26% over three years

By Maggie Urry

MARKS and Spencer, the most profitable retailer in the UK, has given its 44,000 sales assistants a £31.50 a pay rise to bring their wages in line with those of 3,000 warehouse workers who will not receive a pay increase.

There will be no further rises until July 1993 unless circumstances change significantly. The company said its workers will now be paid between 30 to 40 per cent more than people doing similar jobs in other companies.

M and S said the pay award follows changes in the work of sales and warehouse staff with the advent of new technology.

Sales assistants' jobs had got more complex while those of warehouse workers had become simpler.

The change in job content meant that the differential between the types of work was no longer fair, said Mr Olive Nickolds, personnel group executive.

The company denied that the rise awarded had been prompted by an industrial tribunal ruling last year which said the work of a female check-out operator at a J Sainsbury food store could be compared to that of a male warehouse worker.

However, the news came

only a day after Sainsbury announced rises of between 8.5 and 21 per cent for 60,000 retail staff following a job evaluation intended to comply with equal pay for work of equal value legislation.

Last year, M and S paid a flat rate increase to sales and warehouse staff in an attempt to bring the pay of the two groups more in line. As in other companies, most warehouse staff are men and most check-out operators women.

The M and S rise will take the basic pay for sales assistants in the provinces to £150.50 for a 39-hour week, a rise of 26.5 per cent, matching

the rate for warehouse staff. The pay of staff in the south-east of England will rise to £165.50 and in the west end of London to £184.00.

The increase works out at between 7 per cent and 8.5 per cent on an annualised basis, while warehouse workers will receive a one-off £500 payment to soften the blow of not being able to expect a rise for over three years.

Managerial and administrative staff were given an annual increase of 8.5 per cent yesterday. M and S said the deal would cost the group an extra £20m in the first year. However, it thought this would not

affect the group's profitability. The company expected improvements in productivity to continue at the 8 per cent a year rate of recent years, and a fall in staff turnover — which had risen to 20 per cent among sales staff — was expected.

The company, which does not recognise any trade unions, decided on the new pay structure after a year long internal review. The deal was not negotiated with staff but presented to them yesterday.

Over the next few months, M and S will introduce a system of salary bands, to give scope for making merit awards to individual workers.

The high cost of checking-out jobs equality

John Gapper on the pressures facing stores like Sainsbury to raise women staff pay

FOR the past two years, Sainsbury has been trying to estimate the worth of its 60,000 retail staff in a project known as "Placing New Values on Our People." The new values of many of its female people have turned out rather high.

"You are Sainsbury's most valuable asset," starts the pamphlet explaining the evaluation which led to the company awarding check-out operators pay increases of 14.5 per cent while raising the pay of clerks only 8.5 per cent.

They could also have turned into a liability. An industrial tribunal



It remains an open question as to whether the defence is impregnable. The Hay system withstood a challenge in the United States courts by a woman employee of the Republic Bank of Dallas, but has not been full tested in Europe. Usdaw, the distribution union, has dropped its claim and said yesterday that the Mark Spencer award was in line with its estimates.

A separate question facing Marks & Spencer is whether it will dislodge warehouse staff by not attaching enough money to the pay restructuring.