

A Study on Wage And Salary Administration in Small Scale Units

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Introduction

“Wage and salary” is a practical study performance of a company practically adopted. Among the four most important Ms, Men play a dominant role. The only way by which men can be gained, retained and satisfied is through wages and salaries. This study is made to know how the employees are graded and how they are paid wage and salaries. Wages are paid by hourly or daily, whereas salaries are paid by monthly basis.

Wage and salaries for a particular employee or employer depends upon the various factors like his grade, position, qualifications, place (urban, rural etc), inflation, type of organization, industry, etc. Per-capita income of a country is calculated upon the wage or salaries of an individual.

Wage is the compensation an employee receives in return for his or her contribution to the organization. Wage occupies an important place in the life of an employee. His or her standard of living, status in the society, motivation, loyalty and productivity depend upon the wage he or she receives. For the employer too, employee wage is significant because of its contribution to the cost of production. Besides, many battles (in the form of strikes and lockouts) are fought the

employer and the employees on issues relating to wages of bonus. For HRM too, employee wage is a major function. The HR specialist has a difficult task of fixing wages and wage differentials acceptable to employees and their leaders. Since employee wage is such an important subject, considerable space is devoted in books and periodicals discussion of wage-related and salary-related problems. This book is not in exception. This study helps to know how to compensate the work done by individual in an organization.

Objectives of Wage and Salary

- To acquire qualified competent personnel
- To retain the present employees
- To secure internal and external equity.
- To ensure desired behaviour.
- To keep labour and administrative costs
- To protect in public as progressive employers
- To pay according to the content and difficulty
- To facilitate payroll.
- To simplify collective bargaining
- To promote organization.

This study helps to know how to compensate the work done by individual in an organization.

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There is an old joke that goes

The Organization of the future will be so technologically advanced that just one person and a dog will run it. To person will be there to reed the dog and the dog will be there to make sure that the person doesn't touch anythings.

In the past, the observes feared that machines might one day eliminate the need for people at work. But in reality, just the opposite has been occurring. People are most important in today's organizations that ever before.

We use a lot of word to describe the importance of the people to organizations. The term "Human resources" implies that people have capabilities that drive organizational performance (along with other resources such as money, materials, information and the like). Other term such as "Human capital" and "Intellectual assets" all have in common the idea that people make the difference in how an organization performs. Successful organizations are particularly adept at bringing together different kinds of people to achieve a common purpose. This is the essence of Human Resource Management.

Research Design

"Wage and salary" is a practical study of performance of a company practically adopted. Among the four most important Ms, Men play a dominant role. The only way by which men can be gained, retained and satisfied is through wages and salaries. This study is made to know how the employees are graded and how they are paid

wage and salaries. Wages are paid by hourly or daily, whereas salaries are paid by monthly basis.

Wage and salaries for a particular employee or employer depends upon the various factors like his grade, position, qualifications, place (urban, rural etc), (Inflation), type of organization, industry, etc Per-capita income of a country is calculated upon the wage or salaries of an individual.

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Statement of the Problem

Study of wage and salaries of an organization is very important because it helps to know whether the employees are rightly compensated for their work. It also helps to know whether the employees are satisfied with their wages and salaries. It is also important to know whether the company is following the right pay scale. To know various allowance, like washing allowance, stitching allowance, city compensatory allowance, perks allowance etc.

Objectives of the Study

The specific objectives of the study are as follows

- To study the various wage groups.
- To bring out the findings of wage structure.
- To examine the various rating scales.
- To know the different allowances.
- To study the employee opinion for wage and salary.

Scope of the Study

The scope of the study is vast. The study has covered the employees and employers' wages and salaries of different groups and grades.

Minimum wages act 1948

Minimum wages act is based on skill, unskilled, semi-skill, super-skill. State government will issue the notification of wages what a company should pay for the employees. Even for contract basis employees are also comes under unskilled labour.

According to this act, employees whose wages average is more than Rs.16000/- in a month are covered under the act.

The payment of bonus Act 1965

In the earlier days bonus may be called as "Bhakshish". This act shall apply to every factory and every establishment in which 20 or more persons are employed on any day during an accounting year. A person or employee who is getting less than Rs.3500 is eligible to take the bonus. A temporary workmen also a eligible person to take the bonus.

Even a probationary employee is also eligible to take bonus or a piece rate worker is paying 8.33% minimum bonus every year, weather the company is under loss or profit.

Equal Remuneration Act

According to this act there is no discrimination of male and female. For both men

and women employees are paid equal remuneration. In this Act there will be no sex differentiation.

Wages

Wages are payments made by the employer for the efforts put in by the workers in production, there are payments made for the service rendered by labour or if he/she paid by the hourly or day he/she is stated to be in receipt of wages.

Salary

Salaries are remunerations paid to the classical and managerial, personnel employed on monthly or annual basis or if a worker is paid by the year, he/she is considers being in receipt of a salary.

Methodology

The quality of project work will be depends upon the methodology adopted for the study. Methodology in term depends upon the nature of the project work. The use of proper methodology is an essential part of any research in order to conduct the study scientifically certain measures and methods are to be followed. Some of those are as follows:

- Research design used
- Data collection method
- Research measuring tool
- Sampling scheme
- Field work
- Analysis

Sampling

Sample Unit

The sample unit consists of the officers and workers of SS Units.

Sample Size

The sample size of this study consists of 100 respondents, which 10 respondents are officers and remaining 90 respondents are employees.

Sample Type

Non-probability of convenient sampling method has been adopted to choose the sample units for data collection.

Methods of Data Collection

Primary data

Direct interview with department officials

- Face-to-face discussion with the officials and workers.
- Question Schedule is used to collect the data for field work.

Secondary data

- Collecting data through old reports, manuals and other relevant documents, books, journals etc.

Research method

Direct interview with officials, workers, face-to-face discussion and Questionnaire method.

Method of Analysis

After collecting all the information, it was transferred to a worksheet. The data relating to set of the objectives was then classified and the findings recorded after which the data was graphically represented.

Profile of the respondents

The respondents are mainly divided on the basis of Age. Experience and Wage & Salary grade.

Age wise distribution of sample respondents

The total number of respondent age are divided in to four categories

- 25-35
- 35-45
- 45-55
- 55 and above

The table showing the age wise distribution of sample respondents

SI No	Years of experience	No. of Respondents	percentage
1	25-35	30	30%
2.	35-45	28	28%
3.	45-55	34	34%
4.	55& above	8	8%
	Total	100	100%

Source –Primary data

The above table shows that 34 percent of the respondents comes under the age group of 45 to 55, followed by 30 percent of respondents under the age group 25 to 35. where as 28 percent of the respondents age comes under 35 to 45. Finally 8 percent of the respondents age comes under 55 and above.

Experience wise distribution of sample respondents

The total number of respondents experience are divided in to five categories:

- Less than one year
- One year to five years
- Five years to ten years
- Ten years to fifteen years
- Fifteen and above

Table showing the experience wise distribution of sample respondents.

SI No	Years of experience	No. of Respondents	percentage
1	Less than one year	14	14%
2.	One year to Five years	10	10%
3.	Five years to ten years	35	35%
4.	Ten years to fifteen years	19	19%
5.	Fifteen and above	22	22%
	Total	100	100%

Source –Primary Data

Table shows that the 35 Percent of the respondents have the experience ranging from five to ten years followed by 22 percent of the respondents have the experience of fifteen years and above. Next is the 19 percent of the respondents have got the experience of the ten to fifteen years. 14 percent of the respondents have got the experience of less than a year and 10 percent of the respondents have got the experience of less then five years.

Wage and Salary Grade wise distribution of sample respondents

The total number of respondents occupation are divided in to 3 categories

- Wage group ‘A ’to ‘E’
- Selection G grade 1to 3
- Office Grade I to X

The table showing the wage and salary grade wise distribution of respondents.

SI No	Variables	No. of Respondents	percentage
1.	Wage Grope ‘A ’to ‘E’	71	71%
2.	Selection Grade I – III	19	19%
3.	Office Grade I – X	10	10%
4.	Total	100	100%

Source –Primary Data

Table show that 71 percent of the respondents are despondent to wage group 'A'-'E', 19 percent of the respondents are belonging to selection grade I-III and 10 percent of the respondents are at officer grade I-X.

Data Analysis And Interpretation

Table – 1 : Experience wise classification of sample respondents

SI. No.	Year of experience	No. of respondents	Percentage
1.	Less than one year	14	14 %
2.	One year to Five years	10	10 %
3.	Five years to Ten years	35	35 %
4.	Ten years to Fifteen years	19	19 %
5.	Fifteen years and above	22	22 %
	Total	100	100 %

Source : Primary Data

Table one shows that the 35 percent of the respondents have the experience ranging from five to ten years followed by 22 percent of the respondents have the experience of fifteen years and above. Next is the 19 percent of the respondents have got the experience of ten to fifteen years, 14 percent of the respondents have got the experience of less than a year and 10

percent of the respondents have got the experience of one to ten five years.

Inference

From the above it shows that the maximum number of respondents are having the experience of five years to ten years followed by respondents having the experience of fifteen years and above.

Table – 2 : Category of Respondents

SI. No.	Category of Respondents	No. of Respondents	Percentage
1.	Temporary Basis	20	20 %
2.	Contract Basis	18	18 %
3.	Permanent	62	62 %
	Total	100	100 %

Source : Primary Data

The table shows that 62 percent of the respondents are working as permanent where as 20 percent of the respondents are working on temporary basis followed by 18 percent of the respondents on contract basis.

Inference

From the above it shows that the maximum number os respondents are working as permanent followed by temporary basis.

Table – 3 : Different wage group and grades of respondents

Sl. No.	Variables	No. of Respondents	Percentage
1.	Wage Group 'A' to 'E'	71	71%
2.	Selection Grade I – III	19	19 %
3.	Officer Grade I – X	10	10 %
Total	100	100 %	

Source : Primary Data

Table shows that 71 percent of the respondents are belonging to wage group 'A' – 'E', 19 percent of the respondents are belonging to selection grade I – III and 10 percent of the respondents are at officer grade I – X.

Inference

From the above it shows that the maximum number of respondents comes under wage group 'A – 'E' followed by selection grade I – III.

Table – 4 : Respondents inference on wage and salary

Sl. No.	Inference of Respondents	No. of Respondents	Percentage
1.	Satisfied	31	31 %
2.	Dissatisfied	39	39 %
3.	Highly Dissatisfied	30	30 %
4.	Highly Satisfied	0	0 %
	Total	100	100 %

Source : Primary Data

The table shows that the 39 percent of the respondents are dissatisfied and 30 percent of the respondents are highly dissatisfied where as 31 percent of the respondents are satisfied and no respondents is highly satisfied.

Inference

From the above it shows that the maximum number of respondents are dissatisfied followed by highly dissatisfied and no respondents is highly satisfied with the wage and salary.

Table – 5 : Respondents opinion in change of pay scale

Sl. No.	Opinion of Respondents	No. of Respondents	Percentage
1.	To a large extent	57	57 %
2.	To some extent	32	32 %
3.	To a little extent	10	10 %
4.	Not at all	1	1 %
	Total	100	100 %

Source : Primary Data

The table shows that the 57 percent of the respondents opinion is to change the pay scale to large extent, where as 32 percent of the respondents opinion is to change the pay scale to some extent followed by 10 percent of the respondents opinion is to chage to a little extent

and 1 percent of the respondents opinion is not to chante the pay scale.

Inference

From the above it shows that the maximum number of respondents opinion is to change the pay scale by large extent.

Table – 6 : Respondents inference on incentives paid

SI No.	Inference of Respondents	No. of Respondents	Percentage
1.	Satisfied	37	37 %
2.	Dissatisfied	63	63 %
	Total	100	100 %

Source : Primary Data

The table shows that the 63 percent of the respondents are dissatisfied with the incentives paid in the company where as 37 percent of the respondents are satisfied with the incentives paid.

Inference

From the above it shows that the maximum number of respondents are not satisfied with the incentives paid.

Table –7 : Respondents opinion on increase in incentives increases the productivity

SI. No.	Respondents opinion	No. of Respondents	Percentage
1.	Yes	67	67 %
2.	No	13	13 %
3.	Some what	20	20 %
	Total	100	100 %

Source : Primary Data

The above table shows that 67 percent of the respondents are saying that increase in incentives helps in increase in the productivity. Where as 13 percent of the respondents are saying it wont increase in productivity and 20 percent of the respondents feels it increases the productivity some what.

Inference

From the above it shows that the maximum number of respondents feel increase in incentives will increase in productivity.

Table – 8 : Respondents opinion whether monetary or non-monetary incentives increases the productivity

Sl. No.	Respondents Opinion	No. of Respondents	Percentage
1.	Monetary Incentive	53	53 %
2.	Non-monetary	27	27 %
3.	Both	20	20 %
	Total	100	100 %

Source : Primary Data

The table shows that the 53 percent of the respondents opinion is monetary incentives increases the productivity, 27 percent of the respondents feel non-monetary incentives increases the productivity and 20 percent of the respondents opinion is that both will increase the productivity.

Inference

From the above it shows that the maximum number of respondents feel monetary incentives increases the productivity.

Summary of findings & Suggestions

Findings

- It is found that the 35 percent of the respondents have the experience ranging from five to ten years.

- It is understood that 62 percent of the respondents are working as permanent
- It is find that 71 percent of the respondents are belonging to the wage group 'A' to 'E'.
- 39 percent of the respondents are belonging and 30 percent of the respondents are highly dissatisfied and salaries.
- It is found that the 57 percent of the respondents opinion is to change the scale to a large extent where as 32 percent of the respondents opinion is to change the pay scale to some extent.
- It is undererstood that 63 percent of the respondents are dissatisfied with incentives paid in the company.
- Is found that the 67 percent of the respondents are saying that increases in incentives help in the productivity.

- It is found that the 53 percent of the respondents opinion is monetary incentives increases the productivity and 27 percent of the respondents feel nonmonetary where as 20 percent of the respondents opinion is both monetary.

Conclusion

“Wage and Salary is a practical study performance of a company practically adopted among the four most important M's, Men play a dominant role. The only way by which men can be gained, retained and satisfied is through wages and salaries. This study is made to know how the employees are graded, how they are paid wage and salaries and to know the employees opinion about the reward system of a company, wages are paid by hourly or daily where as salaries are paid by monthly basis.

However the company has adopted to the wage legislation of our country of to reward their employees. So this research study also helps me to gain a new knowledge and the opinion of selected employees about their rewards system.

Suggestions

- As 69 percent of the respondents are dissatisfied with the present wage and salaries it is advised to revise the pay scale.
- 89 percent of the respondents feel the percent pay structure should be changed to a extent, so it is better to implement the new pay scale.
- 63 percent of the respondents are dissatisfied with the percent incentives and

67 percent of the respondents feel increase in incentives increases the productivity the company should consider increasing the incentives.

- 53 percent of the respondents opinion is that monetary incentive increases the productivity so company should consider monetary from in giving incentives.

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