

“STUDY OF WAGE AND SALARY ADMINISTRATION”

D. B. BAGUL

“Director”, RJSPM, Institute of Computer and Management Research,
Alandi, Pune.

Abstract:

The wage and salary administration plays a vital role in Human Resource Management. The Human Resource Management is also plays a vital role in any organization. One of the biggest factors affecting industrial relations is the salary or wage of an employee receives for a fair day's work. It is necessary to understand clearly the implications of various concepts and principles that are related to the area of wage and salary administration. The wage and salary structure is the most important element in the management of employees. It includes areas as job evaluation, maintenance of wage structure, incentive profit sharing, supplementary payments and control of compensation and other related pay items. The action has been devoted to the study of internal structure and Human Resource Management policies. For studying all these about Salary and wages structure, the importance and the way to decide the salary and wage criteria in an Autoline Industry choose the topic, “The Study of Wage and Salary Administration”, in Autoline Industries.

KEYWORDS

Wages, Salary, Statutory, Deduction, Legal, Illegal, Overtime, Calculation, Leave, Compensation,

INTRODUCTION

One of the most important areas of Human Resources Management is Compensation Management. The soundness of Compensation Management depends upon the amount of Wage and Salary paid to an Employee for a fair days work. Despite the conclusions of morale studies wage or salary is significant to most of the employees as it constitutes a major share of their income pay in one form or another is certainly one of the main springs of physical needs. It provides recognition a sense of accomplishment and determines social status. Hence formulation and administration of sound remuneration policy to attract and retain right personnel in right position is the prime responsibility of any organization. Salary & Wage is perhaps the main criteria of accepting or declining a job offer. So it is important that the Employer offers a competitive salary to the candidate. The data obtained from salary & Wage surveys helps organizations design and manage their compensation structure so that there is internal consistency and at the same time it is at par with the industry standards. In addition to knowing the Market rates employers also get an idea of what its competitors are paying. In the process of negotiating salary with any candidate the concerned HR professional knows exactly to what limit he can stretch. By setting the right compensation package, organizations will have that competitive advantage and employees will be attracted, retained and motivated to work in such a workplace.

There is no doubt that salary & Wage surveys are important both for the Employee as well as for

Please cite this Article as : D. B. BAGUL , “STUDY OF WAGE AND SALARY ADMINISTRATION” : Tactful Management Research Journal (Sept ; 2013)

“STUDY OF WAGE AND SALARY ADMINISTRATION”

the Employer. But care should be taken so that both individuals and organizations choose the most relevant survey and also assess it correctly. Then only one can get accurate information and make good use of it.

“Pay in one form or another is certainly one of the mainsprings of motivation in our society... pay is the most important single motivator used in our organized society. As a motivator, it becomes part of general psychological problems”.

Wage and salary represent a substantial part of total cost of most of the organization. Although to the economists, these are variable cost, but to the business, they are becoming ever increasing cost in view of the ability of trade union to win upward adjustment.

Salary	Wages
It is paid to every white collar / Non bargain able cadre of employee.	It is paid to every blue collared / bargain able cadre of employees
Salary is basic + DA + different allowance.	Wage = basic + DA (minimum wage)
Salary is fixed for month.	It is variable.
Salary includes weekly off i.e. it is paid for 30 days	Wages excludes weekly off. I.e. is it is paid for 26 days.
Salaried employee can be removed by management at any time with / without notice play.	Wage earner cannot be removed until and unless the legal formalities are not completed towards him.
It is award of service rendered by employees to organization.	It is reward of skill rendered by employee to the organization.
It depends upon employees performance monitored by management throughout the year.	It depends upon agreement between management and contractor.

OBJECTIVES AND SCOPE OF STUDY

- To study the Wage and Salary Administration process for Autoline Industries Ltd.
- To study the Wage & Salary structure.
- To study the employees perception about the Wage and Salary structure of the company.
- To study Internal and External Equity of wage and salary.

SCOPE OF THE STUDY

The scope of study is limited only Autoline Industries.

The scope of the project was based on Random Sampling, 30 Employees were selected for the survey for the purpose of gathering information and their satisfaction level. The questionnaire was floated. Feedback was collected and analyzed. As the wage and salary structure is the most important element in the management of the employees. It includes areas as job evaluation, maintenance of wage structure, incentives, profit sharing, supplementary payments and control of compensation and other related pay items. The attention has been devoted to the study of internal structure and Human Resource Management Policies related with the Salary and Wage Administration.

RESEARCH METHODOLOGY

For this research the following is the research methodology

Research Methodology used is Descriptive type, Sample size 30, data presented in Pia chart,

“STUDY OF WAGE AND SALARY ADMINISTRATION”

Feedback collected for data analysis is through Questionnaire & interpreted in a reason why they are satisfied / dissatisfied about the Wage and Salary Administration.

Sample Size

There are several departments like Marketing, Production, R&D, and Quality Control in Autoline Industries Ltd. working in the Organization. I tried to collect data from all the possible departments. Sample size was 30 Employees, taken for Data Collection.

Data Collection

Random Sample method is used for data collection

Primary Data

Primary data is the data which is original in nature collected for the time for the specific purpose. Primary data is first hand collected data for interpretation.

Interview
Questionnaire
Observation

Secondary Data

Past Record
Website
Annual reports

Sample Design

I have selected appraiser and appraise for the questionnaire Random Sampling method for my research work.

OBSERVATIONS AND FINDINGS

Autoline Industries Ltd. is paid wage and salary according to their wage policy.
Maximum no. of Employees is not satisfied with the Payment that is given according to wage policy of the industries not accordance with the Performance and Responsibility.
There is no provision for Employees Incentives and Group Incentives.
Management not providing additional financial support other than the salary and other statutory returns.
Maximum Employees (83.33%) are aware of labor Act but not about the provisions.
Minimum No. of Employees Satisfied with the Organisation providing facilities like School, college.
Majority of the Employees (93.33%) are Happy with the Security Benefits that are provided by the company.
The company is not giving the Profit sharing bonus to their employees.
It is observed that majority (73.33%) of the Employees opined that the Company given Work benefit for Management Training are good.
Half of the respondents are satisfied with the receiving the bonus. It is observed that majority of the Employees Satisfied with the Festival Bonus they are receiving.
Employees are dissatisfied with the key benefit provision, means the provision made to give the benefits like Retirement benefits, profit sharing, shares scheme.
Auto line industries are not having the provision facilities of fringe benefits like cars, foreign travel, and telephone facility.
Auto line industry having good social security benefits schemes like PF, Gratuity/ Pension scheme, ESI, Accidental benefits.

LIMITATIONS OF THE STUDY

Time had been consistent for completion of present study and making out a detailed analysis.

“STUDY OF WAGE AND SALARY ADMINISTRATION”

The present study is limited only to autoline industries ltd. Pune
The employees are scared to quote their name and suggestions.
The employees were not willing to give the detailed information, because of their busy work schedule.

CONCLUSION

The employees of the autoline Industries limited are moderately satisfied with their wages and salaries. The wage and salary structure and employee benefits and services is one of the vital area of personal administration for sound wage and salary policies and programmers are essential to maintain, develop, promote and transfer, employees and to get effective results from them.

Wage and salary structure are perhaps the most important single element in the condition of employees. Organizational morale cannot be maintained at high level without a fair equitable and sound remuneration programme.

The little attention has been devoted to study the internal structure and Human Resourcesmanagement policies. Therefore it is felt that the study relating to wage and salary administration in autoline industries limited help and understand and analyze the practices. Thus, policies and practices of wage and salary administration should be structured effectively and efficiently.

SUGGESTIONS AND RECOMMENDATIONS

Company should provide Payment on the basis of responsibility, performance, designation.
Company should make provision of incentives in accordance with task work & completion of that task within a given period.
Company should give financial support to the Employees such as advance Payment at low rate interest for- the children, House building & medical to family members.
Company should provide awareness about labour related Laws.
Company should provide School facility at low cost and in the premises of the company.
Company should pay the salary on time or as per the Payment of Wages Act.
Management should provide the key benefits, Profit sharing Bonus, if management have profitability.
Management should provide the Fringe Benefits to middle level Employees.
Company should awarded attendance benefits to the employees.

BIOBLOGRAPHY

Books

Essentials of Human Resource Management and Industrial Relations

P.SUBBARAO

Himalaya publication house Mumbai
Third edition 2004
Wage and salary administration
Personnel Management

MONNAPPAARUN & SAYYODIN MIRZA

Himalaya publication house Mumbai
Third edition 2004
Wage and salary administration
Human Resource Management

M. SHARMA

Research Methodology

S.P.Kasande

“STUDY OF WAGE AND SALARY ADMINISTRATION”

WEBSITES

www.autolineind.com. -- For company profile.

www.google.com -- for literature review

www.hrcite.com --- for taking information about the topics