

A Study on Wages And Salary Administration With Reference To Thiru Industries Pvt Ltd

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Abstract- *Wages and salary administration play a pivotal role in organizational management, serving as a cornerstone for attracting, motivating, and retaining talent. This abstract synthesizes the key components, challenges, and strategies associated with effective wages and salary administration.*

The abstract begins by elucidating the significance of equitable compensation structures in fostering employee satisfaction, engagement, and productivity. It highlights the multifaceted nature of wage determination, influenced by factors such as market trends, industry standards, organizational budgetary constraints, and legal regulations. Moreover, the abstract delves into the complexities of designing and implementing fair and transparent compensation systems. It explores the intricate balance between internal equity (ensuring fairness and consistency within the organization) and external competitiveness (aligning wages with market rates to attract and retain skilled workers). Strategies such as job evaluation, benchmarking, and performance-based pay are discussed in the context of achieving this equilibrium.

Furthermore, the abstract addresses the challenges inherent in wage and salary administration, including wage compression, wage discrimination, and the impact of inflation and economic fluctuations. It underscores the importance of proactive measures such as regular salary reviews, employee feedback mechanisms, and ongoing market analysis to mitigate these challenges and maintain a competitive edge.

I. INTRODUCTION

Wage and salary administration is defined as the process by which wage and salary levels and structures are determined in organizational settings. Wages are payments for labour services rendered frequency, expressed in hourly rates, while a salary is a similar payment, expressed in weekly, monthly or annual rates.

Wage and salary administration is the process of awarding the employees according to their work at an

organization. It is obvious that people work to receive money, that is why they expect their payment to be given on time. The aim of wage and salary administration is to pay money to employees on time and according to the quality and the quantity of their work.

Generally, employees have a stable working day and receive the definite payment for it, but there are also cases when one is paid on the basis of the quantity of the fulfilled work. Wage and salary administration is the responsibility of the human resource management department which monitors the quality of the work of employees, the working atmosphere, etc. The organization must keep the wage levels at the competent level, in order to prevent quite. Internal equity does mean payment of similar wages for similar jobs within the organization. External equity implies payment of similar wages to similar jobs in comparable organization.

II. INDUSTRY PROFILE

It is came's under die manufacturing technology of India an industrial policy of a country is its official strategic effort to encourage the development and growth of all or part of the economy, often focused on all or part of the manufacturing sector. The government takes measures "aimed at improving the competitiveness and capabilities of domestic firms and promoting structural transformation."

A country's infrastructure (including transportation, telecommunications and energy industry) is a major enabler of the wider economy and so often has a key role in Industrial policy.

Many types of industrial policies contain common elements with other types of intervention is practices such as trade policy.

Traditional examples of industrial policy include subsidizing export industries and Import – Substitution-Industrialization (ISI), where trade barriers are temporarily imposed on some key sectors, such as manufacturing. More

contemporary industrial policies include measures such as support for linkages between firms and support for upstream technologies. The India - dies and moulds market size is estimated to grow at a CAGR of 9.65% between 2022 and 2027. The market size is forecast to increase by USD 1,958.95 million. The growth of the market depends on several factors, such as the new opportunities with aluminium metal injection moulding, the automation in the die-casting process, and the high demand for dies and moulds from construction activities.

III. NEED FOR THE STUDY

The wage and salary administration is concerned with the financial aspects of needs, motivation and rewards. Employees should be paid according to the requirements of their jobs i.e. highly skilled jobs are paid more compensation than low skilled jobs. To minimize the chances of favouritism. Many organizations today, in order to be competent enough to meet the challenges need to continuously change to develop wage and salary administration. Thus Companies are supposed to adopt well-built wage and salary administration. Need for the study is that the performance of wage and salary administration is to be studied in order to make changes if any, in order to retain the employees and also to attract. The new employees to meet the challenges of the organization. The study also aims at evaluating the practical wage and salary administration undertaken by the organization in their work environment to improve their working skills

IV. OBJECTIVES OF THE STUDY

Primary objective:

- To study on wage and salary administration in Thiru industries. This is so because only a properly developed compensation system enables an employer to attract, obtain, retain and motivate people of required caliber and qualification in his/her organization.

Secondary objective:

- To avoid the chance of Favouritism.
- To establish equitable wage and salary system
- To identify the factors contributing for salary and wage administration

V. SCOPE OF THE STUDY

Wage and salary administration procedures usually involve activities such as calculating the number of hours worked in order to determine compensation, administering

employment benefits, and answering payroll questions from employees. The Scope of the study covers with extent of help to check all the activities of salary administration against the company policies. An attempt was made to know the pleasure of employees regarding their wages and salary administration. Hence this study specially is focused on wages and salary administration which is a key factor for employee job satisfaction.

VI. LITERATURE REVIEW

According to Maurice C. Benewtz, (2024): “Wage and Salary Administration and wage theory: A reconciliation”: Many industrial wage and salary administration believe that they can determine wage and administration levels for their firms by use of criteria different from those of economic wage theory. This study determines about the impact of the wage theory in an organization and to the employee.

According to Nwachukwu (2023): As “Impact of effective wages and salary administration”: In any organization, be it in the private or public sector, money is a very sensitive issue, not only to management but also to employees. Wages and salaries constitute a significant part of the total cost of operation in any organization or establishment.

According to Odogwu (2022): “Wages and salary administration”: Salary and wages is the process of compensating an organization’s employees in accordance with accepted policy and procedures. An important component of a successful organization’s salary and wage administration policy is monitoring and evaluating all employees compensation to ensure that they are being paid appropriately, both with respect to others in the same organization and to the marketplace as a whole. Wage and salary administration is often an integral function of the organization’s human resources department, but in general, the larger the organization, the more likely it is that it will be handled by a separate department.

According to Hassan, (2021): “Wages and salary salaries as a motivational tool for enhancing organizational performance”: This study examined how the organization’s human capital was compensated and see whether the compensation even serves as a motivational tool to enhance organizational performance. based on the findings the following recommendations were preferred that there should be wages and salaries scale and schedule.

According to Pravin Warakar, Kishor Warakar, (2020): “Study of Salary and Wages Administration”: The basic purpose of wage and salary administration is to establish

and maintain an equitable wage and salary structure. The wage and salary administration is concerned with the financial aspects of needs, motivation and rewards managers, therefore analyze and interpret the needs of their employees so that reward can be individually designed to satisfy these needs.

VII. RESEARCH METHODOLOGY

Research Methodology refers to a systematic and organized process of investigating, studying and analyzing a specific issue or problem to generate new Knowledge or understanding. Research typically involves the collection and analysis of data, the formulation of hypothesis of research questions, and the drawing of conclusions based on evidence.

SAMPLING DESIGN:

DESCRIPTIVE RESEARCH DESIGN:

Descriptive research design is a type of research design that aims to systematically obtain information to describe a phenomenon, situation, or population. More specifically, it helps answer the what, when, where, and how questions regarding the research problem rather than the why. More simply put, descriptive research is all about describing people who take part in the study.

SAMPLING TECHNIQUE:

CONVENIENCE SAMPLING METHOD:

Convenience sampling is a qualitative research sampling strategy that involves selecting participants based on their accessibility and availability to the researcher. Rather than being drawn at random from a bigger population, participants in this strategy are picked because they are easily available to the researcher.

SOURCES OF DATA:

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes.

Primary Data:

Questionnaire given to 200 respondents

Secondary Data:

Websites and online, Published reports & Review of literature from published articles.

STATISTICAL TOOLS:

SPSS (STATISTICAL PACKAGE FOR SOCIAL SCIENCE):

SPSS (Statistical Package for the Social Sciences), also known as IBM SPSS Statistics, is a software package used for the analysis of statistical data.

Although the name of SPSS reflects its original use in the field of social sciences, its use has since expanded into other data markets. SPSS is commonly used in healthcare, marketing and education research.

- **PERCENTAGE ANALYSIS**
- **REGRESSION**
- **CORRELATION**
- **CHI-SQUARE**
- **ANOVA**

PERCENTAGE ANALYSIS:

Percentage analysis refers to the method of calculating the percentage for all the research related activities and which are used to compare all the ratios, trends and all other requirements in the analysis.

Percentage = $(\text{No of respondents} / \text{Total number of respondents}) * 100$.

CORRELATION:

Correlation analysis in research is a statistical method used to measure the strength of the linear relationship between two variables and compute their association. Simply put - correlation analysis calculates the level of change in one variable due to the change in the other.

CHI-SQUARE:

The chi – square test is also known as non-parametric test or distribution free test is used when it is impossible to make any assumptions about population or when the researcher is unable to estimate the population's parameters. The main advantages of using non parametric test is that, the researcher can analyze qualitative data. It is used to determine whether the two variables are associated with each other or not. It helps in finding the association between two or more attributes.

ANOVA:

Analysis of variance (ANOVA) is an analysis tool used in statistics that splits an observed aggregate variability found inside a data set into two parts: systematic factors and random factors. The systematic factors have a statistical influence on the given data set, while the random factors do not. Analysts use the ANOVA test to determine the influence that independent variables have on the dependent variable in a regression study.

REGRESSION:

Regression is a statistical method used in finance, investing, and other disciplines that attempts to determine the strength and character of the relationship between one dependent variable (usually denoted by Y) and a series of other variables (known as independent variables).

DATA ANALYSIS AND INTERPRETATION

Table showing Age of the respondent:

INTERPRETATION:

It shows that Out of 200 respondents,are working from less than 18 are 20.9% are between 19 to 21 are 30.1% are between 21 to 24 are 36.4% and above 25 are 12.6%.

(a) Table showing age of the respondent:

SL.NO	OPTIONS	NO.OF RESPONDENTS	PERCENT AGE (%)
1	Less than 18	43	20.9%
2	19 to 21	62	30.1%
3	22 to 24	75	36.4%
4	Above 25	20	12.6%
	TOTAL	200	100%

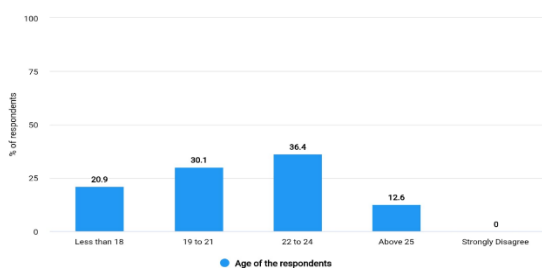


Table showing Gender of the respondent:

SL.NO	OPTIONS	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Male	86	43.3%
2	Female	114	56.7%
3	Others	0	0%
	TOTAL	200	100%

INTERPRETATION:

It shows that Out of 200 respondents,are 43.3 % of male respondents and 56.7% of female respondents.

(b) Chart showing Gender of the respondent:

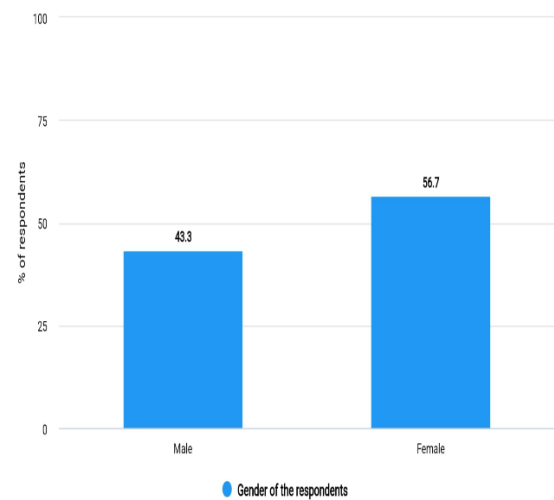


Table showing respondents getting pay as per the law:

SL. NO	OPTION	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Yes	185	92.5%
2	No	15	7.5%
	TOTAL	200	100%

INTERPRETATION:

200 percentage of the respondents said that they are getting their pay as per the laws. None of them i.e., 7.5 percentage responded negatively. 92.5 percentage respondents stated that they are getting wages according to law. Permanent employees are getting more than the minimum wages which includes their incentives and bonus on the basis of their experience. Contract labour are getting wages according to minimum wages act.

(c) Chart showing respondents getting pay as per the law:

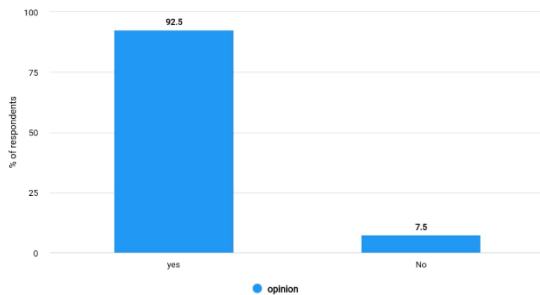


Table showing wages and salary for all employees is satisfactory:

SL.NO	OPTIONS	NO.OF RESPONDENTS	PERCENTAGE (%)
1	Strongly Agree	86	43%
2	Agree	46	23%
3	Partly Agree	43	21.5%
4	Disagree	18	9%
5	Neutral	7	3.5%
	TOTAL	200	100%

INTERPRETATION:

43 percentage of the respondents strongly agree that they are satisfied with wages and salary system, 23 percentage of them agree, 21.5 percentage of them partly agree and 9 percentage of them disagreed 3.5 percentage of them neutral. Maximum number of the respondents opinion that the wages and salary system in ASTON is Satisfactory. Minimum number of respondents opinion is that it is not Satisfactory.

(d) Chart showing wages and salary for all employees is satisfactory:

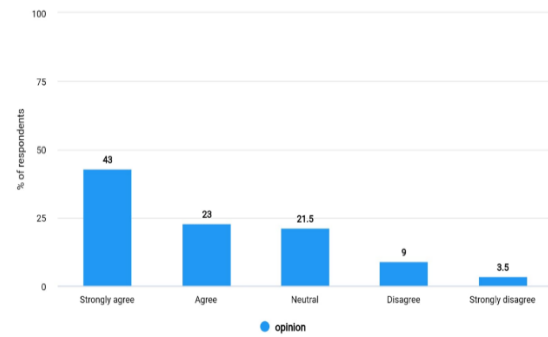


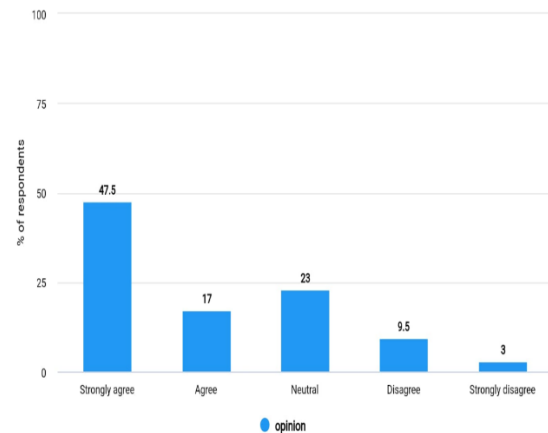
Table showing current wages and salary system of the organization help to enhance employees productivity:

SL.NO	OPTIONS	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Strongly Agree	95	47.5%
2	Agree	34	17%
3	Partly Agree	46	23%
4	Disagree	19	9.5%
5	Neutral	6	3%
	TOTAL	200	100%

INTERPRETATION:

47.5 percentage of the respondents strongly agree, 17 percentage of them agree, 23 percentage of them partly agree and 9.5 percentage of them disagreed, 3 percentage of them neutral that the The current wages and salary system of the organization help to enhance employees productivity.

(e) Chart showing current wages and salary system of the organization help to enhance employees productivity:



Chi-Square:

Chi-Square on Age and Wages, Salaries and Increments followed every year:

NULL Hypothesis (H0):

There is no significant difference between Age and wages, Salaries and Increments followed every year.

Alternative Hypothesis (H1):

There is a significant difference between Age and Wages, Salaries and Increments followed every year.

Test Statistics				
		Age of the respondent	Wages, salaries and increments followed every year	
Chi-Square		.000 ^a	.500 ^c	
df		3	4	
Asymp. Sig.		1.000	.974	
Monte Carlo Sig.	Sig.	1.000 ^b		1.000 ^b
	95% Confidence Interval	Lower Bound	.985	
		Upper Bound	1.000	1.000

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Gender of the respondents ^b		Enter

Interpretation:

Here the significance was and occurs as 1.00 which is higher than 0.05. Hence accept H0.

RESULT:

There is a significant difference between Age and Wages, Salaries and Increments followed every year.

Regression:

Null Hypothesis (H0):

There is no significant difference between Gender and Age of the respondents

Alternative Hypothesis (H1):

There is a significant difference between Gender and Age of the respondents

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.517	1	40.517	82.563	.000 ^b
	Residual	105.020	214	.491		
	Total	145.537	215			

Interpretation:

Here the significance level was and occurs as 0.00 which is lesser than 0.05. Hence reject H0.

Result:

There is no significant difference between Gender and Age of the respondents.

VIII. FINDINGS OF THE STUDY

- According to the study 36.4% Most of the employees satisfied with their job.
- According to the study 56.7% have Maximum number of respondents agreed with the compensation.
- According to the study 92.5%, Most of the employees agreed with the organization policies.
- According to the study 41.5%, Mostly all the employees agreed that company is much concern about employees.
- According to the study 52.5%, Many of the respondents agreed recognition of employee’s contribution.
- According to the study 42.5%, Most of the agreed that wages, Salaries and increments are followed every year.

- According to the study 94%, Many of the respondents agreed that Bonus and Incentives are relative to the employee's contribution.
- According to the study 38%, Mostly all the employees responded positively that they are getting their pay as per the laws
- According to the study 45.5%, All the employees reacted positively that they are paid for overtime.
- According to the study 43%, Maximum of the respondents agreed that they are getting benefits on time and when needed.
- According to wage & salary structure implemented and 36.5% of the respondent Strongly Agree with the wage and salary structure implemented by the organization.
- From the above study it is highlighted that 10.5% of the respondent Disagree with Bonus & Incentives related with employee contribution by the organization.
- According to the study it is known that 64% of the respondent have raised their opinion as Very Good for salary / wage with similar industries.
- From the SPSS tool Chi-Square it is known that there is a significant difference between Age and Wages, Salaries and Increments followed every year.
- From the SPSS tool correlation it is known significant different between salary given and factor important to have job satisfaction.
- From the SPSS tool ANOVA is known significant between gender and opinion in comparing salary/wage with similar industries.
- From the SPSS tool regression is known significant different gender and age of the respondents.

IX. SUGGESTIONS OF THE STUDY

- The management is paying acting allowance if a person acts in place of another and plays additional expenditure.
- The additional expenditure can be avoided by employing multi skilled workers.
- The management may announce efficiently based increments to attract deficient, skilled, committed and personal. So that the experienced skilled employee do not go to other small industries and create a competition to this organization.
- Standard safety precautions are not followed at the work spot.

X. CONCLUSION

It can be easily concluded from the above comparison that salary is a fixed amount of money paid at regular intervals to an individual for the work done by him in

given period of time whereas wage is a variable pay given to an individual for the number of hours spent by him in completing a certain amount of work Wages and Salary administration plays an important role in every organization. Proper wages and salary provided in the organization motivates and satisfies the employee's in order to achieve organization goal. The study on wages and salary administration in Thiru industries reveals that the current salary pay structure is satisfied to the employees. But, there are certain area where organization can improve like bonus, overtime payment, group activities. Each job grade has its assigned salary range and other monetary benefit is also fixed based on the job grade. Wages and salary administration is one of the vital areas of the personnel administration. One of the most important factors in human resource management is compensation management. The compensation management is depends upon the amount of wages and salary paid to an employee for their work in an organization. In **Thiru industries** the present salary structure is based on 7th pay commission. From the survey it reveals that present pay commission is better compared to previous pay commission and the other benefits provided are allowances, bonus, loans, pension, PF etc, The non- monetary benefits provided are satisfied to the employees working in **Thiru industries**.

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