A Study on Impact of Salary and Wage Administration Towards Employees Performance

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Abstract: The research project entitled 'Wage and Salary Administration 'is an attempt to understand the sound policies and practices of employee's compensation that was established and implemented .The data was collected through well-structured questionnaires which contains closed end question. This survey was carried out in various departments of the company. It includes job evaluation, surveys of wage and salaries, development and maintenance of wage structure, establishing rules for administrating wages, incentives, profit sharing, wage changes and adjustments, compensation costs etc. The objectives of the study are to study the various benefits that offered to employees through wage and salary administration structure. The research design used for the study is descriptive in nature. The descriptive study helps the researcher to find out various characteristics of the population. Random sampling technique was adopted for selecting sampling units of employees. The methods of data collection for the study include both primary and secondary data. The primary data was collected through questionnaire and interview method. The secondary data collected through Books, Journals, Internet. All respondents got regular wages and salaries and other facilities also. Teir relationship with management is sound good and satisfactory.

Keywords: **:** Wage and Salary Administration, Compensation structure, Incentives, Job satisfaction level.

1.1 INTRODUCTION TO THE TOPIC

I. INTRODUCTION

   Wage and Salary administration refers to the established and implementation of sound policies and practices employee compensation. Wage and salary administration is one of the vitalareas of the personnel administration. For sound wage and salary policies and programs are essential. To procure, maintain, develop, promote and transfer employees and to get effective results from them. Each job grade willbe assigned salary range. These individual salary ranges will be filled into an overall range

II. OBJECTIVES OF THE STUDY

- The primary objective is to show that salary and wage is a tool for employee performance
- To study the fluctuations in wage and salary policies of management and employee satisfaction.
- To compare the wage and salary administration practices between workers and officials.
- To ascertain whether salaries and wages administration boosts the performances of the workers.
- Fringe benefit: this is an extra amount paid to employees to better their working conditions, it is informed of transport allowances, Compensation benefits, etc.

III. SCOPE OF THE STUDY

- The Scope of the study covers with extent of help to check all the activities of salary administration against the company polices.
- 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
- This study therefore, conforms to enhance the salaries and wages of the worker within the organization to increase their performance.

IV. NEED FOR THE STUDY

- Many organizations today, in order to competent enough to meet the challenges need to continuously changes to develop wage and salary administration.

- Thus Company's 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

- To attract and retain sufficient and suitable employees that will help the organization to achieve its objectives.

- To reward employees of their efforts and commitment to the organization.

- To motivate workers to a high performance

II. REVIEW OF LITERATURE

ASHIRU (2001) Fayol observed that the first categories were relatively well known, consequently, he concentrated most of his work on the analysis of the managerial categories. He devoted his attention to what a manager does thereby giving rise to the functional managerial thought

DAGGET AND HABU (2004) "Salary administration is the method and process that an organization uses for compensating their workers". They argued that workers cannot obtain financial job satisfaction unless the organization achieved its goals

OBASA (2015) noted that wages are important for what they symbolize. For a few wages characterize security, for different it represents success. Increase in praise can also to enroll in many golf equipment and association. If the boss or organization offers one a massive pay increase, this could display the subordinates that the boss likes him approves of his performance

RESMA AND BASAVRAJU (2013) stated the employee welfare is a comprehensive term including various services, benefits and facilities offered to employees of the organization. This study enlightens the concept of welfare measures; it also highlight statutory welfare measures provided by the Donimalai Iron Ore Mine, Bellary.

HASSAN (2015) "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.

III RESEARCH METHODOLOGY

RESEARCH DESIGN

A research design is the plan or framework used to conduct a research study. It involves outlining the overall approach and methods that will be used to collect and analyse data to answer research questions or test hypotheses.

Since this research is a fact finding study, descriptive research method was selected in order to appraise the role of salaries and wages administration as a tool for improving employees' performance in an organization.

METHOD OF DATA COLLECTION

This paper is solely based on the primary data. A well-structured questionnaire have been used to collect the data.

The data is collected from last 12 months salary records and social audits reports.

POPULATION

The size of the sample is 150. Sample is collected directly from the responds with the help of a questionnaire. The collected sample is in the method of convenience

SAMPLING UNIT

The sample unit for the study is the employees of Human Resource department, Finance department, Administration and Technical and non Technical departments in ASK APPARELS.

SAMPLE SIZE

The Sample size of the study is 120.

SAMPLING METHOD

The Simple Random sampling method was employed for the sampling of data collection.

TOOLS FOR DATA ANALYSIS
DESCRIPTIVE STATISTICS

This chapter deals with the descriptive and statistical analysis of the primary data collected from the employee who working in theorganization. The hypotheses drawn by the researcher are confirmed with the support of statistical tools and results are inferred. Percentage analysis is a simple statistical instrument which is widely used in analysis and interpretation of primary data. It deals with the number of Respondents' reply to a questionnaire in percentage attained from the total population nominated for the study. It is one of the simple forms of analysis which helps the researcher to realize the outcome of the research.

CORRELATION

Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlationindicates the extent to which those variables increase or decrease in parallel, a negative correlation indicates the extent to which one variable increase as the other decreases.

CHI-SQUARE

Chi Square test oh homogeneity is used to determine if two or more independent sample vary by distribution on a single variable.A common use of this test is to compare two or more groups or conditions on a categorical result. Formulation of omnibus teststatistic is formed as independence test and homogeneity test.

IV.DATA ANALYSIS & INTERPRETATION

The data analysis about the demographic variable is The majority 50.8% of the respondents are female, The majority 35.8% of the respondents are in the age group between 20.01 – 30 years, the majority 41.7% of the respondents are undergraduates. The majority 65.8 % of the respondents live in urban area, the majority 60.8% of the respondents are receiving salary between 10,001 – 20,000. The majority 47.5% of the respondents have working experience between 5.01-10 years.

4.1 DESCRIPTIVE STATISTICS

Table No: 4.1.1– Which factor is here important to have job satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Which factor is here important to have job satisfaction				
Valid	Salary	63	52.5%	52.5%	52.5%
	Management	49	40.8%	40.8%	93.3%
	Welfare benefits	4	3.3%	3.3%	96.7%
	Working conditions	4	3.3%	3.3%	100.0%
	Total	120	100.0%		

Source: Primary Data

Inference

From the above table 4.2.9, 52.2% of the respondents are satisfied with their salary, 40.8 % of the respondents are satisfied with management, 3.3% of the respondents are satisfied with their welfare benefits, 3.3% of the respondents are satisfied with their working conditions.

4.2 CORRELATION
4.2.1 HYPOTHESIS STATEMENT

H0 – There is no statistically significant correlation between the wages and salary system for all employees in ASK Apparels is satisfactory and Are you happy with your job

H1 – There is a statistically significant correlation between the wages and salary system for all employees in ASK Apparels is satisfactory and Are you happy with your job

Table No: 4.2.1

The wages and salary system for all employees in ASK Apparels is satisfactory and Are you happy with your job

		The wages and salary system for all employees in ASK Apparels is satisfactory	*Are you happy with your job*
The wages and salary system for all employees in ASK Apparels is satisfactory	***Pearson Correlation***	1.000	.250
	Sig. (2-tailed)		.006
Are you happy with your job	***Pearson Correlation***	.250	1.000
	Sig. (2-tailed)	.006	

Inference:

From the correlation table 4.2.1, it can be seen that the correlation coefficient (i.e.) value of r is 0.250, there is positive low significant relationship between the wages and salary system for all employees in ASK Apparels is satisfactory and Are you happy with your job. Since p-value (0.006) < 0.01, we accept the hypothesis (H1). It can be concluded that there is statistically significant.

4.2.2 HYPOTHESIS STATEMENT

H0 – There is no statistically significant correlation between the rewards should be given on the basis of better performance of the employees and Wage and salary structure implemented according to Qualification & Experience

H1 – There is a statistically significant correlation between the rewards should be given on the basis of better performance of the employees and Wage and salary structure implemented according to Qualification & Experience

Table No: 4.2.2

The rewards should be given on the basis of better performance of the employees and Wage and salary structure implemented according to Qualification & Experience

		The rewards should be given on the basis of better performance of the employees	*Wage and salary structure implemented according to Qualification & Experience*
The rewards should be given on the basis of better performance of the employees	*Pearson Correlation*	1.000	.280
	Sig. (2-tailed)		.002
Wage and salary structure implemented according to Qualification & Experience	*Pearson Correlation*	.280	1.000
	Sig. (2-tailed)	.002	

Inference:

From the correlation table 4.2.2, it can be seen that the correlation coefficient (i.e.) value of r is 0.280, there is positive low significant relationship between the rewards should be given on the basis of better performance of the employees and Wage and salary structure implemented according to Qualification & Experience. Since p-value (0.002) < 0.01, we accept the hypothesis (H1). It can be concluded that there is statistically significant.

4.3 CHI-SQUARE
4.3.1 HYPOTHESIS STATEMENT

H0 – There is no significance relationship between factor for job satisfaction and income per month.

H1 – There is a significance relationship between factor for job satisfaction and income per month.

Table No: 4.3.1.

Which factor is here important to have job satisfaction and Income per month

	Value	*df*	*Asymptotic Sig. (2-tailed)*
Pearson Chi-Square	17.64	9	.040
Likelihood Ratio	14.34	9	.111
Linear-by-Linear Association	1.08	1	.299
N of Valid Cases	120		

Inference

From the above table 4.5.1.1 we infer that Pearson chi-square significant value is 0.040 which is less than 0.05 (5% significance level). Hence, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). There is significance relationship between factor for job satisfaction and income per month.

4.3.2 HYPOTHESIS STATEMENT

H0 – There is no significance relationship between factor for job satisfaction and total years of working experience.

H1 – There is a significance relationship between factor for job satisfaction and total years of working experience.

Table No: 4.3.2

Which factor is here important to have job satisfaction and Total years of working experience

	Value	*df*	*Asymptotic Sig. (2-tailed)*
Pearson Chi-Square	18.06	9	.034
Likelihood Ratio	18.87	9	.026
Linear-by-Linear Association	.66	1	.418
N of Valid Cases	120		

Inference

From the above table 4.3.2 we infer that Pearson chi-square significant value is 0.034 which is less than 0.05 (5% significance level). Hence, we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). There is significance relationship between factor for job satisfaction and total years of working experience.

V SUGGESTION

- Company can revise the employees salary pattern to encourage them.
- Wage for daily labours can be increased according to surrounding industry pattern.
- Efficiency of employees can be improved to large extent only when they are provided with satisfied compensation
- Management should understand this for their growth

VI CONCLUSION

The study aimed to prove salary and wages is a tool for employees performance. 120 samples were taken for the research and data was collected through a questionnaire from the employees by simple random sampling method. It was found that employees are satisfied with the salary and wages they received in company. Also, it shows that salary and wages are important factor for employee performance.

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