



A STUDY ON WAGES AND SALARY ADMINISTRATION IN NBAYS IT SOLUSENS MADURAI, TAMILNADU, INDIA
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Abstract:

The project work entitled “A Study on Wages and Salary Administration with specific reference to Nbays IT Solusens, Madurai”. The study is intended to evaluate the wages and salary administration. Salary and wages are important factor for every employee and it is helpful to the organization to know about the satisfaction of the employee towards wage & salary and to know how it motivates the employee. The motivation of each employee will lead to the better performance and in turn satisfies both the employees and also organization. The wages and salary administration is used to study about the various policies of the organization regarding wage and salary fixation. The study also aims at evaluating the practical wage and salary administration under taken by the organization in their work environment to improve their working skills. The data needed for the study has been collected from the employees through questionnaires. The research design used in this study is Descriptive research design. Analysis and interpretation has been done using the statistical tools like Correlation, Percentage analysis, Chi-square and data are presented through tables and charts.

Introduction:

One of the most important factors in Human Resource Management is compensation management. The compensation management depends upon the amount of wage and salary paid to an employee for their work in an organization. Wages and Salary Administration: 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 vital areas of the personnel administration.

- Wages: Wages is the remuneration paid, for the service of labor in production, periodically to an employee / worker. “Wages” usually refer to the hourly rate paid to such groups as production and maintenance employee (“blue-collar workers”).
- Salary: Salary is defined as a fixed compensation for services paid on a regular basis, generally on a weekly, monthly or annual basis.

Meaning of Wages and Salary Administration:

Wage and salary administration affect levels of employee commitment to the organization. However, fascinating the individual’s job assignment is, the employee must be paid. Pay affects the way people work-how much and how well. A large part of the compensation that people receive from work is monetary. Although managers are expected to conserve money and distribute it wisely, many employees feel that they should get more of it for what they do. Wages, salaries and many employee benefits and services are form of compensation.

Review of Literature:

Nwachukwu (2017) “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.

Hassan (2015) “Wages and salary salaries as a motivational tool forenhancing 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 bewages and salaries scale and schedule.

Pravin Warakar (2015) “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.

Benewtz (2015), “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.

Objectives of the Study:

- To study the various policies of the organization regarding wage and salary fixation.
- To know the satisfaction level of the employees with the salary offered by the company.
- To understand the inadequacies in the company's salary administration techniques.
- To study various benefits offered by the organization with salary.
- To examine the competitiveness of entry level employees
- To resolve existing labor problems concerning compensation

Need of the Study:

The wages and salary administration is used to study about the various policies of the organization regarding wage and salary fixation. The study also aims at evaluating the practical wage and salary administration under taken by the organization in their work environment to improve their working skills and to know about the satisfaction level of employees. This study also helps to know about the monetary and non-monetary benefits that are provided to the employees other than salary paid

Scope of the Study:

Wage and salary administration is a collection of practices and procedures used for planning and distributing company-wide compensation programs for employees. These practices include employees at all levels and are usually handled by the accounting department of a company.

Hypothesis of the Study:

The following hypotheses stated in null form will guide this study.

- Ho1: Wages and salaries have no significant positive effect on employee performance in selected government ministries.
- Ho2: Cash bonus has no significant positive effect on employee performance in selected government ministries.
- Ho3: Minimum wage has no significant positive effect on employee performance in selected government ministries.
- Ho4: Fringe benefits have no significant positive effect on employee performance in selected government ministries.

Research Design:

The research design for a study on health and welfare measures available to workers will depend on the research questions and hypotheses being tested. Descriptive research involves collecting numerical through self-reports collected, through questionnaire or interviews (person or phone) or through observation. For present study, the research was descriptive and conclusion oriented.

Research Methodology:

Research: The process of research came into being due to man's quest to be at tune with environment and also understand nature. To achieve this, man uses the tools of experience and reasoning available to him. Man also makes use of experience and authoritative sources beyond his immediate circle. Experience and authority are rich and major sources of hypothesis, which are based mainly on common sense knowledge and haphazard events, therefore it can be unjustified for drawing conclusions on events. Hence research hypothesis formulation using experience and authority is judged to be unscientific. Research anchors on scientific reasoning; which could be inductive and deductive or both. Research is a combination of both experience and reasoning and can be said to be the most appropriate way of discovering the truth, precisely in the natural Sciences. Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge. Typically, it encompasses concepts such as paradigm, theoretical model, phases and quantitative or qualitative techniques. A methodology does not set out to provide solutions - it is, therefore, not the same thing as a method. Instead, it offers the theoretical underpinning for understanding which method, set of methods or best practices which can be applied to specific case, for example, to calculate a specific result.

Method of Data Collection:

- Primary Data: Primary data are those which are fresh and are collected for the first time, and thus happen to be original in character. The primary data was collected through direct personal interview (open ended and close questionnaire).
- Secondary Data: Secondary data are those which have been already collected by someone else and which already had been passed through the statistical process. The secondary data was collected through web sites, books and magazines.

Analytical Tool for the Study:

Simple Percentage Analysis:

This method is used to compare two or more series of data, to describe the relationship or the

distribution of two or more series of data. Percentage analysis test is done to find out the percentage of the response of the response of the respondent. In this tool various percentage are identified in the analysis and they are presented by the way of Bar Diagrams in order to have better understanding of the analysis.

Microsoft Excel:

Microsoft excel is a spread sheet developed Microsoft for Windows, macOS, Android and iOS. It features calculation, graphing tools, pivot tables, and a macro programming language called Visual Basic for Applications (VBA). It has been a very widely applied spread sheet for these platforms, especially since version 5 in 1993, and it has replaced Lotus 1-2-3 as the industry standard for spreadsheets. Excel forms part of the Microsoft Office suite of software.

CHI- Square Analysis:

Chi-square was done to find out one way analysis between socio demographic variable and various dimensions of the program. The calculated value of chi-square is compared with the table value of χ^2 given degrees of freedom of a certain specified level of significance. It at the stated level of the calculated value of χ^2 the difference between theory and observation is considered to be significant. Otherwise it is in significant.

Correlation Analysis

Correlation is computed into what is known as the correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random.

Data Analysis:

Handling Problem Related to Payment and Allowance:

Handling the Problem Related to Payment & Wages	No. of Respondents	Percentage
Strongly Agree	70	65
Agree	12	11
Disagree	18	17
Strongly disagree	8	7
Total	108	100

Inference:

The above data indicated that 65% of respondents are Agree, 11% of respondents are Highly Agree, 17% of respondents are Disagree and 7% of respondents are Highly Disagree.

Payment for Overtime:

Getting Payment for Over Time	No. of Respondents	Percentage
Yes	69	64
No	39	36
Total	108	100

Inference:

The above data indicated that 64% of respondents says yes that they are getting payment for overtime and 36% of respondents says No.

Findings:

- Majority 65% of the respondents are strongly agree that organization handle the problem related to payment and allowances.
- Majority 64% of the respondents getting payment for overtime.

Suggestion:

- The satisfied level and neutral level towards wages and salary provided are quite close so, if they increase the wages and salary the employees will be satisfied and the satisfaction level may also get increased
- The Wages and Salary policy adopted by management is not up to standard level.
- 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.

Conclusion:

Wages and Salary administration plays an important role in every organization. Proper wages and salary provided in the organization motivates and satisfies the employees in order to achieve organization goal. The study on wages and salary administration reveals that the current salary pay structure is satisfied to the employees. But, there are certain areas 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.. 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. A good wages and salary administration will attract and retain employees, give them a fair deal, keep the organization competitive and motive employees to perform their best.

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