

Impact of Wages and Salary Administration on the Performance of the Employee of Indian Sugar Industry: A Study

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I. Introduction

'JUPITER' sugars India LTD was founded in the year 1941 in southern India as a private sugar factory. Later it has enhanced its production from 1000 TCD to 8500 TCD in the year 1962. It was amalgamating of many sub units and multi locational products into its main unit. The company has focussed its attention on various projects and substantial resources. Subsequently, they have decided to organise the company into two units one in southern India and one in northern India.

The sugar industry workers today are progressively taught and they know about their duties and rights. The executives need to manage them not merely as factors of production; however as people having human pride and dignity. The goal of sugar industry is to change the traditional perspectives of management and labour towards one another and create mutual understanding and co-operation and work towards accomplishment of common goal. Good industrial relations lead to industrial harmony and increase in production sugar industry. Joint consultation among workers and the board paves the way for industrial democracy and they contribute to the growth of the organisation.

Importance of wages and salary administration

Wage & salary administration is basically the application of an orderly way to deal with the issue of ensuring that employees are paid in a consistent, even-handed and reasonable manner¹.

In reliability of compensation management relies on the measure of pay and salary paid to a worker for a reasonable days work. Wage and salary is important to the majority of the employees as it establishes a significant portion of their income "Pay" in some structure is unquestionably one of the origins of inspirations in our humanity. 'Salary gives in surplus of a means of fulfilling the physical need it provides recognition, a little of achievement. The term "wage" might be characterized as the compensation paid by the employer for the services of hourly, daily, weekly and fortnightly employees².

Wage and salary are paid according to agreement of employment. Wages comprise basic wage / salary and allowances. Allowances are paid in notwithstanding essential to basic wage to keep up the estimation of basic wage over some stretch of time. In India, various Acts include distinctive thing under wages. Despite the fact that all the lets includes basic wages and Dearness allowance under the point wages. E.g. under the Workmen's Compensation Act, 1923, section 2(m) wages for leave period, holiday, overtime pay, bonus, attendance bonus and good conduct bonus form part of wages and under the payment of wages Act, 1936 section 2(vi) any incentive of settlement and production bonus, if paid constitutes wages.

'Salary is characterized as the compensation paid to the administrative and executive staff employed on monthly or yearly premise'. This dissimilarity between wage and salary doesn't appear to be substantial in nowadays of human resources approach where all workforces are treated as human resources and are seen at standard. Henceforth these two terms are utilized conversely. Fundamentally the term wage or salary can be defined as the undeviating remuneration paid to an employee compensating in services to an organization. Salary is also called fundamental compensation.

The central objective of wage and salary administration is to ascertain and sustain an even-handed wage and salary structure and secondary objective is to institute and preserve an unbiased labour cost structure. Generally sound wage and salary administration attempts to accomplish targets such as to attract and keep hold of the service of employee, to pay workers according to the content and complexity of the job. To reward employees effort and value and to improve employee morale and productivity.

II. Select Review of Literature

Mathur.A.S. (2006)³ has opined that the problems of human relationship arising from the sale of services for a wage and working on the premises of employers under their control form the subject matter of industrial relations.

HinaSidhu (2008)⁴ has focused on the wage disparities among different categories of workers have widened substantially within and across the industry groups. By establishing the linkages between labour productivity and wage rate, she argued that labour productivity is an important determinant of the wage rate. Arithmetic of wage and labour productivity relationship and the share of wages in the value-added were analyzed. To find out the relocation between the wage rate and labour productivity and to see the impact of technology on the wage rate, different regression equations were also examined. Lastly, she found from the comparative analysis of the coefficients of correlation between technology and wage rate vis-à-vis labour productivity and wage rate which revealed that in most of the industry groups, technology has a relatively greater influence on the wage rate. Thus it may be conclude that technology is a key determinant of wag water in the industrial sector in India.

Odoh (2011)⁵ maintained that wage and salaries that workers get from his organization is important to him or her in three significant ways: economic, psychological growth and motivation. The economic significance of wage and incentives is most clear because it serves as a method of obtaining the necessities and extravagances individuals need and want. Numerous labourers do not have sources of income besides their pay; consequently work in organization is the way to obtain the material necessities of life which can be expected for such items as food, rent, clothes and countless other goods and services.

Agburu (2012)⁶ identified that wage and salary administration activities allude to each one of those processes, strategies, plans and schemes that give rise to pay policies. Such policies set the overall direction of pay within the organizations or establishment, public or private all things considered. The actual development of a base pay system follows the determination of pay strategies.

Iyida (2015)⁷ examined the impact of increase in wage and fringe benefits on the productivity of labourers in Federal Ministry of Transportation, Enugu, Nigeria. The information produced were analyzed using frequency and percentage. The study found that increase wage in the Federal Ministry of Transportation upgrades the productivity of workers to a large extent thereby influencing their demeanour to work. The study also shows that the monetization of fringe benefits has improved the performance of workers to an extremely huge extent thereby bringing job satisfaction among workers. The study also showed that the monetized fringe benefits could just satisfy the fundamental needs of workers to a very small extent because of high cost of living.

Obasa (2015)⁸ noticed that wages are significant for what they symbolize. For certain wages symbolize security, for other it addresses success. Increase in reward may allow one to join many clubs and associations. If the boss or organization grants one a sizeable pay increase, this will show the subordinates that the boss likes him and endorse of his performance.

III. Scope of the study

The scope of this study is confined to the procedure of Disciplinary procedure in 'JUPITER' sugars India Ltd. Only. The outcomes of this study cannot be generalised to any other company.

Objectives

The specific objectives of this paper are

- i. To assess the contemporary patterns of Wages and salary administration in 'JUPITER' Sugars India Limited;
- ii. To measure the level of satisfaction/dissatisfaction of employees/workers towards the contemporary patterns of Wages and salary administration in 'JUPITER' Sugars India Limited;
- iii. To identify the reasons for the dissatisfaction of employees/workers respondents towards the contemporary pattern of Wages and salary administration in 'JUPITER' Sugars India Limited;
- iv. To offer the feasible ways and means to streamline the contemporary patterns of Wages and salary administration in 'JUPITER' Sugars India Limited.

IV. Research Methodology

The methodology consists of data collection from primary as well as secondary source. Through the survey method, the firsthand information was collected from 60 sample respondents from the study unit.

Sample design and size

A purposive-cum-convenient sampling technique was followed and 60 respondents were chosen as sample respondents from the study unit.

Analysis of the data

The information collected from the sample respondents was processed and tabulated scientifically and several statistical tools like (i) independent sample t-test; (ii) weighted mean scores; and (iii) ANOVA are calculated at appropriate levels.

The Limitations

1. The study is confined to only one sugar unit;
The size of the sample is 60 only where the number is very meagre

Research findings

1. There would be a negative impact of wages on the professional performance of employees. Insufficient salaries are demotivating the employee's emotions and performance and minimizing the quality of work life (36.66%).
2. Adequate and proper wages are not paid and hence wages are not working as motivational factors for employees which enhance the employee productivity. Because of these low paid salaries, the morale of the employees also lowering down (28.33%).
3. There are no proper senior HR executives in the company to look after proper pay-revisions and to review and implement them (13.33%).
4. The present wage structure is not at all improving the quality of life of the employees/workers so that individual productivity of the employees is utterly lowering down (11.66%).
5. The present scheme of employee participation in management is not at all promoting the industrial harmony and human relations in the company and also not minimizing the industrial dispute prevailed in the company (10.02%)

Suggestions

1. The wage structure should be designed in such a keeping in view of the day to day inflation and ever increasing prices of the commodities. While fixing the wage structure of the employees, the latest parameters which are laid down in the recent Wages and Salaries Act of the Indian Factories should be taken into consideration. So that the implementation of the new structure of wages can enhance the standard of living of the employees and also their performance.

2. The proposed wage structure should be in a position to properly motivate the employees to put their sustained efforts for maximizing the production, marketing and profits. Further, the implementation of new and revised wage structure would certainly enhance the productive capacity of the employees in addition to the morale also.
3. A highly qualified person, who is having master degree in Human Resource Management with atleast 10 years professional experience, should be appointed as a H.R. Manager for proper pay-revision and proper implementation of disciplinary procedures in the organization.
4. The present wages that are offered by the company are not at all sufficient for leading the qualitative life in the modern society. Hence, the present wage structure should immediately be re-structured. The proposed wage structure should be in par with the recently revised wages laid down in the Indian Factories Act. So that the individual productivity and performance of the employees would be enhanced enormo

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