WAGES AND SALARY ADMINISTRATION IN PAPER MILLS: AN ANALYTICAL STUDY OF MYSORE PAPER MILLS LTD; BHADRAVATHI

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Abstract

Method of Analysis after collecting all the information, it was transferred to a worksheet. The data relating to set of the objectives was then classified and the findings recorded after which the data was graphically represented. However, fascinating the individual’s job assignment is, the employee must be paid. Pay affects the way people work-how much and how well. Wages are paid by hourly or daily, whereas salaries are paid by monthly basis. Wage and salaries for a particular employee or employer depends upon the various factors like his grade, position, qualifications, place, inflation, type of organization, industry, etc. Per-capita income of a country is calculated upon the wage or salaries of an individual. Wage is the compensation an employee receives in return for his or her contribution to the organization. Wage occupies an important place in the life of an employee. A large part of the compensation that people receive from work is monetary.

Key Words: Attrition, Turnover intention.

I. INTRODUCTION

The only way by which men can be gained, retained and satisfied is through wages and salaries. “Wage and salary” is a practical study performance of a company practically adopted. This study is made to know how the employees are graded and how they are paid wage and salaries. His or her standard of living, status in the society, motivation, loyalty and productivity depend upon the wage he or she receives. For the employer too, employee wage is significant because of its contribution to the cost of production. Besides, many battles are fought the 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. Wages are paid by hourly or daily, whereas salaries are paid by monthly basis. Wage and salaries for a particular employee or employer depends upon the various factors like his grade, position, qualifications, place, inflation, type of organization, industry, etc. Per-capita income of a country is calculated upon the wage or salaries of an individual. Wage is the compensation an employee receives in return for his or her contribution to the organization. Wage occupies an important place in the life of an employee. 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.

Definition of Wage and Salary

Administration of employee compensation is called wage and salary administration. According to D.S. Beach “Wage and Salary Administration refers to the establishment and implementation of sound policies and practices of employee compensation. It includes such areas as job evaluation, surveys of wage and salaries, analysis of relevant organizational
problems, development and maintenance of wage structure, establishing rules for administrating wage payment incentives, profit sharing, wage changes and adjustments, supplementary payments, control of compensation costs and other related items.”

**Statement of the Problem**

Study of wage and salaries of an organization is very important because it helps to know whether the employees are rightly compensated for their work. It also helps to know whether the employees are satisfied with their wages and salaries. It is also important to know whether the company is following the right pay scale. To know various allowance, like washing allowance, stitching allowance, city compensatory allowance, perks allowance etc.

**Objectives**

1. To examine the existing machineries of wage and salary administration in MPM Industries Ltd. Bhadravathi.
2. To ascertain the job satisfaction among the employees in MPM Ltd. Bhadravathi.
3. To identify the different benefits/incentives given to the employees by MPM Ltd. Bhadravathi apart from wages and salary.

**II. REVIEW OF LITERATURE**

A number of studies have been conducted on wage and salary administration by number of researchers in India and abroad. A modest attempt has been made to trace out the research gap, so as to explore the suitable area for the purpose of undertaking the research and to examine the relevance of the need felt by the researcher. Some of the research studies undertaken in the field so far are:

Sainy H.C. in his study “wage and salary administration” focuses on fundamental aspects of wages and salary administration like the meaning, objectives, wage policy in developing and developed countries, advantages of wage policy etc. He also emphasis on different wage theories developed by different experts and explained the various reasons for differences in wages and salaries in different employment and also between different persons in the same employment. Wage differentials are classified under five heads and each one is dealt with by the researcher separately. The study also concentrates on Minimum Wages Act 1948, its objectives and payment of Bonus Act 1965, and it also briefly dealt with different methods of wages and bonus payment.

Rao V.S.P. in his article “wage and salary administration”, bring out the importance of designing an effective compensation plan that takes care of legal stipulations, industry practices, employee expectations, competitive pressure etc., so as to attract and retain talent. He focuses on the main objectives of compensation planning, components of pay structure in India and factors influencing compensation levels. He also gave emphasis on wage policy in India, state regulation of wages, Bonus, wage differentials and executive compensation. He is finally concluded that executive compensation in India is basically built around three important factors viz., job complexity, employers’ ability to pay and Indian company’s compensation structure. India companies usually structured executive compensation along with the factors viz., salary, bonus, commission, PF, Family pension, superannuation fund, medial reimbursement, leave travel assistance, house rent allowance and other perquisites.

Joseph G. Altonji and Nigolar Williams, the study provides new estimates of the return to job seniority using a dataset. It considers the strengths and weaknesses of earlier studies and then performed multiple replications using the original data to test the soundness of the hypotheses concerning how the choices of data and methodologies affect the empirical results. The analysis not only provides refined estimates of returns to seniority but also has
some implications for how best to conduct other similar empirical studies.

Charles. A. Myers’ study “wage and salary policies and administration” focuses on wage and salary policies and administration and it reveals that the determination of the general level of wages and salaries in any organization includes wages and salaries paid for comparable work by other firms or organizations in the community or in the industry, ability to pay or financial condition of the organization, cost of living index and governmental wage and salary regulation. Finally, it is concluded that the wage and salary supplements are an important part of compensation of non-executive employees and policies on establishing wage and salary levels and internal equity in them are the primary responsibility of managers, assisted by the personnel staff.

Meade J.E. his study “Effects of wage-fixing on unemployment and inflation” examines the causes and effects of the wage fixing phenomenon, which operates through uncontrolled monopolistic wage bargaining and which results with or without the concomitant of strikes, loc-outs or similar industrial dislocation, in the setting of fixed minimum wage rates in the various sectors of the economy. Finally, it concludes that the primary objective of wages fixing should be the promotion employment, but this will be effective only if accompanied by successful fiscal policies to ensure the maintenance of a steady rate of growth in total money expenditures on goods and services and so in the demand for labour and that it will be acceptable in a human compassionate society only if it is accompanied by a battery of other measures for ensuring a socially acceptable distribution of income and wealth.

Scope of the Study

The study covers the analysis of wage and salary and different personnel problems like recruitment, selection, placements, service conditions, rules and regulations, promotions, transfer, trainings, retrenchments, payments leave matters etc. It is undertaken with a broad view of making in depth study into the personnel problems faced by the employees of the MPM Ltd., Bhadravathi. It will be useful for the concerned sample in their exercise of policy framing and drafting of programs and guidelines for the personnel welfare.

Research Methodology

Primary Data:

The study is based on both primary and secondary data. The primary data is collected by administering the pre-tested questionnaire among the employees of the selected sample unit, followed by the interviews with the staff in each cadre and salary grades in MPM Ltd. A separate questionnaire is inducted for management staff and Workmen to ascertain the opinions of the personnel in the sample unit in four point scale for the measurement of their response.

Owing to time factor and for securing of quick feedback from the staff, it was essential to have the close-ended questionnaire. At the same time, the opinion of the workmen and management staff has also been recorded through personal interview.

Secondary Data

The secondary data has been collected through the charter of demands submitted by the employees union, Employees Minimum Wages Act 1948, Factories Act 1948, The Payment of Wages Act 1936, Payment of Bonus Act 1965, Employees, Provident Fund and Miscellaneous Provisions Act 1952, Payment of Gratuity Act 1972, Annual reports of sample unit, and Magazines, Newspapers, Periodicals etc.

The main focus was on the wage and salary administration procedures, its impact on the employees and to know their desired change in the
present system and in personnel management in MPM Ltd. Bhadravathi.

Sample Size
Out of 1055 workmen and 250 management staff in MPM Ltd., 100 workmen and 25 management staff is selected using simple random sampling method at 10 per cent of total employees in each category.

Tools of Analysis
The data thus collected have been properly classified, analyzed and interpreted with help of Advanced Statistical Package for Social Science Research. Tools like Mean, Average, Weighted Averages, and Percentages, Chi-Square Test, Coefficient Variance, etc., are used to arrive at certain product vales of the samples collected at various stages. Charts and Graphs are also used for the interpretations of results.

Method of Analysis
After collecting all the information, it was transferred to a worksheet. The data relating to set off the objectives was then classified and the findings recorded after which the data was graphically represented

Limitations of the Study
The study has the following limitations
1. The opinions may vary in accordance with the years of service of the employees. This is taken care by the inclusion of staff of all age groups.
2. The mood and temperament of the employee at the time of responding to the questionnaire and at the time of interview by the researcher may have influenced in obtaining of information.
3. Employees’ reluctance to give individual opinions on certain matters which are dealt only through their Union have influence on the information.

Findings
- It is found that the 45 percent of the respondents have the experience ranging from five to ten years.
- It is understood that 52 percent of the respondents are working as permanent
- It is find that 71 percent of the respondents are belonging to the wage group ‘A’ to ‘E’.
- 49 percent of the respondents are belonging and 30 percent of the respondents are highly dissatisfied and salaries.
- It is found that the 57 percent of the respondents opinion is to change the scale to a large extent where as 32 percent of the respondents opinion is to change the pay scale to some extent.
- It is understood that 43 percent of the respondents are dissatisfied with incentives paid in the company.
- Is found that the 57 percent of the respondents are saying that increases in incentives help in the productivity.
- It is found that the 47 percent of the respondents opinion is monetary incentives increases the productivity and 27 percent of the respondents feel nonmonetary where as 20 percent of the respondents opinion is both monetary

Suggestions
- As 59 percent of the respondents are dissatisfied with the present wage and salaries it is advised to revise the pay scale.
- 79 percent of the respondents feel the percent pay structure should be changed to a extent, so it is better to implement the new pay scale.
- 53 percent of the respondents are dissatisfied with the percent incentives and 47 percent of the respondents feel increase in incentives increases the productivity the company should consider increasing the incentives.
• 43 percent of the respondents opinion is that monetary incentive increases the productivity so company should consider monetary from in giving incentives

III. CONCLUSION

“Wage and Salary is a practical study performance of a company practically adopted among the four most important M’s, Men play a dominant role. The only way by which men can be gained, retained and satisfied is through wages and salaries. This study is made to know how the employees are graded, how they are paid wage and salaries and to know the employees opinion about the reward system of a company, wages are paid by hourly or daily where as salaries are paid by monthly basis However the company has adopted to the wage legislation of our country of to reward their employees. So this research study also helps me to gain a new knowledge and the opinion of selected employees about their rewards system.

IV. REFERENCE

4) Mr. Raghu S “A Study on Dealers Perception and Customers Satisfaction towards Submersible Pump Sets “ MBA project report submitted to the University of Bangalore, BANGALORE, India April 2005.