A Study on Wages and Salary Administration with Reference to Tamilnadu Cooperative Milk Producers Federation Ltd - Aavin

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Abstract:
The project work entitled A STUDY ON WAGES AND SALARY ADMINISTRATION with specific reference to TamilNadu Cooperative Milk Producer’s Federation Ltd – AAVIN Nandanam. 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 undertaken 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, ANOVA, Percentage analysis, Chi-square, Weighted average method and data are presented through tables and charts.

I. 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.

II. COMPANY PROFILE

The Dairy Development Department was established in Tamil Nadu in the year 1958 to oversee and regulate milk production and commercial distribution in the state. The Diary Development Department took over control of the milk cooperatives. It was replaced by the Tamil Nadu Cooperative Milk Producers Federation Limited in the year 1981. Tamil Nadu is one of the leading states in India in milk production with about 14.5 million liters per day.

III. NEED FOR 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 undertaken 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 in aavin.

IV. OBJECTIVES OF THE STUDY
Primary objective:
- To study about the wage and salary administration in TNCMPF- aavin

Secondary objectives:
- To know various benefits offered by the organization with salary.
- To find out how wages and salaries can contribute to improve employee productivity in an organization.
- To know the level of satisfaction of the employees regarding the wage and salary administration.
- To give suggestions about the wages and salaries provided in aavin.

SCOPE OF THE STUDY
The study is intended to evaluate the wages and salary administration in Aavin. Salary and wages are important factor
for every employee. This study 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.

V. REVIEW OF LITERATURE

According to Odogwu journal of business theory and practice , vol2, no2, 2014 “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 organizations 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 organizations 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 Nwachukwu Asian journal of applied science and technology vol 1, issue 9, pages 421-438, 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.

According to Hassan, Euro economica journal Vol 34, No 1 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.

According to Pravin Warakar, Kishor Warakar, International Journal on Textile Engineering and Processes, vol 1, Issue 4, 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.

According to Maurice c. Benewtz, American Journal of Economics and Sociology, vol 15, issue 4, 1956 “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.

VI. LIMITATIONS OF THE STUDY

- Due to busy schedule of the employees they were reluctant to answer questions.
- The biased view of the respondent is another cause of the limitation.
- The data collected form respondents through questionnaire may not be accurate.

CHI-SQUARE TEST:

Null Hypothesis H0: There is no significant difference between gender and allowances provided.

Alternative Hypothesis H1: There is a significant difference between gender and allowances provided.

Table.1. showing the opinion about the gender and allowances provided to the respondents

<table>
<thead>
<tr>
<th>Test Statistics</th>
<th>gender of the respondents</th>
<th>allowances provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>8.000</td>
<td>71.950</td>
</tr>
<tr>
<td>Df</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.005</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. 0 cells (0%) have expected frequencies less than 5. The minimum expected cell frequency is 100.0.
b. 0 cells (0%) have expected frequencies less than 5. The minimum expected cell frequency is 40.0.

Result:
The difference between the two variables of the significant value must be less than 0.05. Therefore H0 is accepted. Hence There is no significant difference between gender and allowances provided to the respondents.

VII. WEIGHTED AVERAGE METHOD:

Table.2. showing the satisfaction level of employees towards wages and salary system in aavin.

<table>
<thead>
<tr>
<th>SNO</th>
<th>PARTICULARS</th>
<th>NO. OF RESPONDENTS (W)</th>
<th>WEIGHT (X)</th>
<th>TOTAL SCORE (WX)</th>
<th>MEAN SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Highly satisfied</td>
<td>50</td>
<td>3</td>
<td>230</td>
<td>4.60</td>
</tr>
<tr>
<td>2</td>
<td>Satisfied</td>
<td>72</td>
<td>4</td>
<td>288</td>
<td>3.77</td>
</tr>
<tr>
<td>3</td>
<td>Neutral</td>
<td>60</td>
<td>3</td>
<td>180</td>
<td>3.00</td>
</tr>
<tr>
<td>4</td>
<td>Dissatisfied</td>
<td>18</td>
<td>2</td>
<td>36</td>
<td>1.80</td>
</tr>
<tr>
<td>5</td>
<td>Highly dissatisfied</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>200</td>
<td>15</td>
<td>754</td>
<td>3.77</td>
</tr>
</tbody>
</table>
Result:
From the above table it is inferred that most of the respondents are satisfied with the wages and salary system in aavin.

Mean Score = Total score / No. of respondents
= 754/200
Mean score=3.77

SUGGESTIONS:
The area where the organization can improve their level are as follows:

- 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 organization can also provide overtime work payment to the employees so that they get motivated and employee productivity will also become high. Overtime pay rates depends upon the day the work is performed whether it is ordinary working day, special day, holiday or rest day. If the organization pays for overtime, then the employees will be satisfied and work will done properly.
- Non-monetary benefits like festival gifts, calendars are provided in Aavin apart from that they can also provide other non-monetary benefits like awards, gifts etc to increase the employees concentration towards job and to motivate them.

VIII. 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 inorder to achieve organization goal. The study on wages and salary administration in aavin 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 aavin 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 aavin. 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.

IX. REFERENCES

BOOKS REFERRED:
[1]. Research methodology, C R Kothari from New Age Publication.


WEBSITES REFERRED:
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[6]. http://scholar.google.co.in/scholar salary and wages administration review literature.