

WAGE AND SALARY ADMINISTRATION.

MEANING:-

WAGE:- The payment made in form of money for the labor and services according to contract and on an hourly, daily or piecework basis.

Example:- The store keeper is paid Rs 500 per hour during working days in store.

SALARY:- The fixed amount of money that an employer agrees to pay an employee in exchange for their service, skills and time.

Example:- Salary of an executive is Rs 50,000 in ABC Ltd.

Workers and employees render their service for wages and salary. In this context it is said that the performance of an employee is largely depend on the salary provided by an employer.

- Hence wages and salary administration is one of the important duty of a human resource manager. The administration principle generally followed by an organization is more is the knowledge, experience and expertise more should be the salary and other financial benefit.

- OBJECTIVES OF WSA:- The objectives of wages and salary administration are as follows:-
- 1. ORGANISATIONAL OBJECTIVES:-
- (A) To deploy quality and quantity of employees.
- (B) To retain efficient employees.
- (C) To motivate for better performance.
- (D) To maintain fairness in compensation.

- 2.INDIVIDUAL OBJECTIVES:-
- (A) To ensure fair compensation.
- (B) To minimize unethical practice.
- (C) To improve employee morale.
- (D) To increase efficiency and competency.
- (E) To avail better opportunity.

- 3. COLLECTIVE OBJECTIVES:-
- (A) To compensate as per market rate.
- (B) To link benefit in company prosperity.
- (C) To have a better financial benefit.
- (D) To free from management discretion.

- IMPORTANCE OF WSA:-
- 1.FAIRNESS:- WSA ensures that compensation is free from corruption and in line with the requirement of the job.
- 2.EMPLOYEE RETENTION :- WSA can attract and retain efficient employees of the organization.
- 3. EMPLOYEE MOTIVATION:- WSA enables to motivate its employees to perform better.

- 4. PROTECT SALARY RULE:- WSA ensures that the organization follows the principles of salary by protecting the rules and regulations of the Govt. from time to time.
- 5. INDUCE MORALE:- WSA ensures improvement of morale of its employees.
- 6. REDUCE LABOUR TURNOVER:- WSA minimizes labor turn over ratio.

- 7. RESOLVE LABOUR PROBLEMS:- WSA can reduce labor litigations in the organization.
- 8. HELP TO FULFILL OBJECTIVES:- WSA ensures deployment of efficient employees which help to fulfill the objectives of the organization.
- CONCLUSION:- A good wage and salary administration can benefit both employee and employer of the organization.