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# **A STUDY ON IMPACT OF WAGES AND SALARIES ADMINISTRATION ON EMPLOYEE PRODUCTIVITY AT RUN SERVICE INFOCARE PRIVATE LIMITED**

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## **ABSTRACT:**

This research investigates the complex dynamics between compensation structures and employee productivity within the setting of Run Service Info Care Pvt. Ltd. By analyzing the influence of factors such as pay levels, incentives, and perceptions of fairness and satisfaction, the study aims to elucidate how these elements impact employee productivity. Employing a systematic approach that integrates percentage analysis and an extensive literature review, the research seeks to compile comprehensive data for a nuanced understanding of this relationship.

Furthermore, the study aims to provide tailored recommendations and actionable insights specifically for Run Service Info Care Pvt. Ltd. These suggestions, rooted in theoretical frameworks, aim to optimize the organization's compensation practices to effectively boost employee productivity. Additionally, the study presents a concise overview of the organizational profile of Run Service Info Care Pvt. Ltd., encompassing its mission, values, and operational context. Key findings from the analysis are synthesized, emphasizing significant insights and implications for the organization's strategic management of compensation.

In summary, this research contributes valuable insights to the field of human resource management by examining the impact of compensation structures on employee productivity, with a focus on the unique context of Run Service Info Care Pvt. Ltd. Through its rigorous methodology and practical recommendations, the study aims to assist the organization in enhancing its compensation practices and fostering a more productive work environment.

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## **INTRODUCTION:**

*Wage and salary administration* affect levels of employee commitment to the organisation. 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.

The main aims of wage and salary administration are to make sure that pay is fair, attract and keep good employees, inspire workers, maintain fairness in pay systems, and follow the law. Wage and salary administration in a company aims to create an organized way to manage how employees are paid.

### **WHAT ARE WAGES AND SALARY ADMINISTRATION?**

Wages and salary administration refers to the systematic management of employee compensation within an organization. It involves various processes such as determining pay rates, administering benefits, and ensuring compliance with labour laws and regulations. This includes tasks like job evaluation, salary surveys, performance appraisal, and setting pay structures. The goal of wages and salary administration is to establish fair and equitable compensation practices that attract, retain, and motivate employees while also aligning with the organization's financial and strategic objectives.

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## **FACTORS AFFECTING WAGE AND SALARY ADMINISTRATION:**

The wage policies of different organization vary somewhat. Marginal units pay the minimum necessary to attract the required number of kinds of labour. Often, these units pay minimum wage rates required by labour legislation, and recruit marginal labour. At the other extreme, some units pay well about going rates in the labour market. They do so to attract and retain the highest Caliber of labour force. Some managers believe in the economy of higher wages. They feel that, by paying high wages, they would attract better workers who will produce more than average worker in the industry.

This greater production per employee means greater output per man hour. Hence, labour costs may turn those existing in firms using marginal labour. Some units pay high wages because of a combination of a favourable product market demand, higher ability to pay and the bargaining power of trade union. But a large number of them seek to be competitive in their wage programme, i.e., they aim at paying somewhere near the going rate in the labour they employ. Most units give greater weight to two wage criteria, viz, job requirements and the prevailing rates of wages in the labour market.

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## INDUSTRY PROFILE

The Electronics Repair and Services industry is a vital sector within the broader electronics and technology landscape, encompassing a wide range of activities focused on maintaining, repairing, and enhancing electronic devices and equipment. This industry plays a crucial role in supporting consumers, businesses, and industries by ensuring the longevity, functionality, and efficiency of various electronic products.

### *Where will the electronics industry be in 5 years' time?*

“Five years is a long time in any industry and even more so in a fast-moving industry such as electronics. However, there are some trends that we can safely anticipate will come into play in the next five years, such as the ever-faster adoption and integration of technology products into most – if not all – aspects of our everyday lives. We expect that this acceleration will occur at an even faster rate than the development of semiconductors themselves – essentially a “Moore’s Law” effect for technology adoption. We can also expect the concept and application of connectivity to become ubiquitous, touching almost all aspects of our lives. Finally, the trend towards automation and digitisation in the customer purchasing experience will continue and likely accelerate to a point where the human labour required for the more routine and operational aspects of this process will be minimal.”

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## ORGANIZATION PROFILE

Run service info care private limited (RSI) provides integrated Advanced Level Repair Services, Warehouse Management, Logistics Services and Front-end Services for 3C Electronic products that include Smart Phones, Desktops, Laptops, Laptop Mother Boards, Tablets, Data Cards, LED/LCD TV Mother boards, Set-Top Boxes and other electronic devices.

RSI Group was founded in 2000, by Mr. Spencer Yu, B.E, MBA., with a vision to provide professional After Market Services (AMS) for both OEM and ODM customers in the field of electronic devices. With its Group Headquarters in Taiwan that covers the Greater China Region, RSI expanded its service to South and Southeast Asia region with the branch operations in India (2007) & Latin America Region in Brazil (2015).

RSI India has been established in the year 2007, with Head office at Chennai. The company functions predominantly as an After Market Service and Support partner for Original Equipment and Design Manufacturers (OEMs & ODMs).

As one of the leading organized repair service providers, RSI India has solidified its market leading position by offering Total Warehouse management, Parts management, Logistics Services & Front-End Support for customer care services in PAN India operation.

RSI India focuses on service quality, timely service delivery and cost optimization in order to achieve Customer Satisfaction and exceed Customer Expectation by promoting Continuous Improvement and maintaining ISO 9001:2015 Quality Management System and IPC Repair Standard.

RSI India is certified by IPC Specialist in IPC-7711/IPC-7721 – Rework and Repair of Electronic Assemblies and IPC-A-610 – Acceptability of Electronic Assemblies.

### *Our Vision*

A Passionate Family of Professional Services.

### *Our Mission*

Customer Satisfaction and Quality of Delivery.

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## OBJECTIVES OF THE STUDY

- To determine how compensation practices influences employees' motivation and willingness to perform effectively.
- To identify ways in which proper wages and salary administration can enhance employee performance and productivity levels.
- To assess how fair and competitive compensation packages contribute to employee retention and job satisfaction.
- Investigate employees' beliefs regarding the positive impact of higher salary/wages on work performance.
- Explore factors besides wages/salaries that contribute to employee productivity

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## REVIEW OF LITERATURE

- Susan E. Jackson and Richard S. Schuler (2011): (A study on Compensation Policies on Employee Attitudes and Organizational Outcomes
- Wayne F. Cascio and John W. Boudreau (2016) (“A study on Optimizing Wage and Salary Administration for Workforce Attraction, Retention, and Motivation.”)

- Joseph J. Martocchio, (2022) "Exploring the Role of Job Evaluation, Market Pricing, and Pay Policies in Effective Compensation Management."

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## HYPOTHESIS OF THE STUDY

Examining the Influence of proper Wages and Salary Administration on Employee Productivity

- **Null Hypothesis (H0):** There is no significant difference between genders in their belief that employees are more productive when they feel fairly compensated for their work.
- **Alternative Hypothesis (H1):** There is a significant difference between genders in their belief that employees are more productive when they feel fairly compensated for their work.

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## SOURCES OF DATA

The data collected from both primary and secondary data:

**Primary data:** The data for this study were gathered through a questionnaire survey conducted among employees and labour personnel within Run service info care private limited.

**Secondary data:** "I gathered secondary data for this project from a variety of sources including websites, online journals, the organization's official website, and relevant articles to enrich the analysis and provide comprehensive insights."

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## TOOLS AND TECHNIQUES

The study utilized a questionnaire as its research instrument for data collection. This questionnaire was designed in alignment with the study's objectives and was administered to consumers to gather their perspectives. The information was collected using a meticulously structured questionnaire.

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## ANALYSIS TOOL

**PERCENTAGE ANALYSIS:** It also known as ratio analysis, is a method used to analyse financial statements and other data by expressing individual items as a percentage of abase figure. It helps in comparing different components of financial statements over time or against competitors.

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## STATISTICAL TOOLS

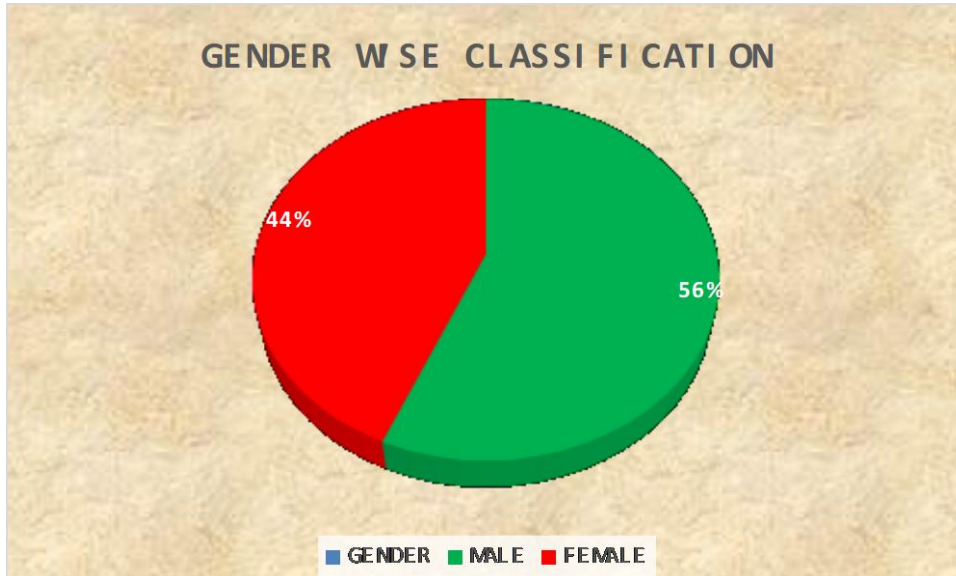
- **CHI-SQUARE:** The chi-square test is used to analyse categorical data and determine whether there is a significant association between two categorical variables. It is commonly used to test for independence in contingency tables and to compare observed frequencies with expected frequencies.
- **CORRELATION:** Correlation Analysis is statistical method that is used to discover if there is a relationship between two variables/datasets, and how strong that relationship may be.

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## ANALYSIS AND INTERPRETATION DATA TABLE NO.: 1 GENDER WISE CLASSIFICATION

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
MALE	31	56.4%
FEMALE	24	43.6%
TOTAL	55	100%

## CHART NO 4.1



**INTERPRETATIONS:**

56% of respondents identify as male, while 44% identify as female.

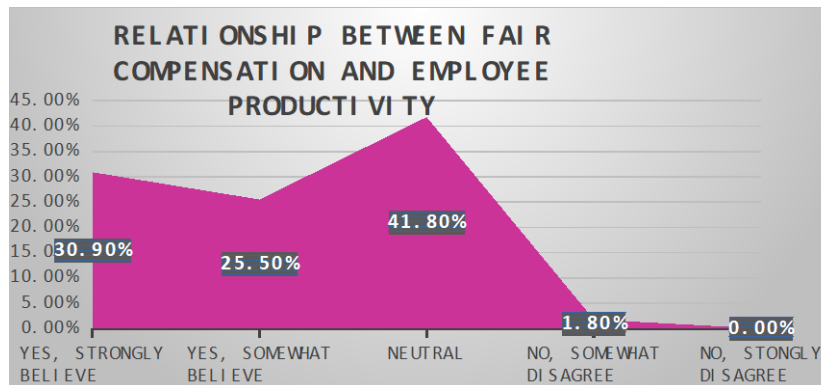
**INFERENCE:**

Among respondents, men hold the majority at a significant 56%.

**TABLE 4.2**  
**RELATIONSHIP BETWEEN FAIR COMPENSATION AND EMPLOYEE PRODUCTIVITY**

PARTICULAR	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
YES, STRONGLY BELIEVE	17	30.9%
YES, SOMEWHAT BELIEVE	14	25.5%
NEUTRAL	23	41.8%
NO, SOMEWHAT DISAGREE	1	1.8%
NO, STONGLY DISAGREE	0	0
TOTAL	55	100%

**CHART NO 4.2**



**INTERPRETATIONS:**

According to the survey results, 30.9% of respondents strongly believe that employees are more productive when they feel fairly compensated at work. Additionally, 25.5% of respondents somewhat believe the same idea. A significant portion, 41.8%, remains neutral on this belief. Only 1.8% of respondents somewhat disagree with the notion that fair compensation correlates with productivity, while none strongly disagree with it.

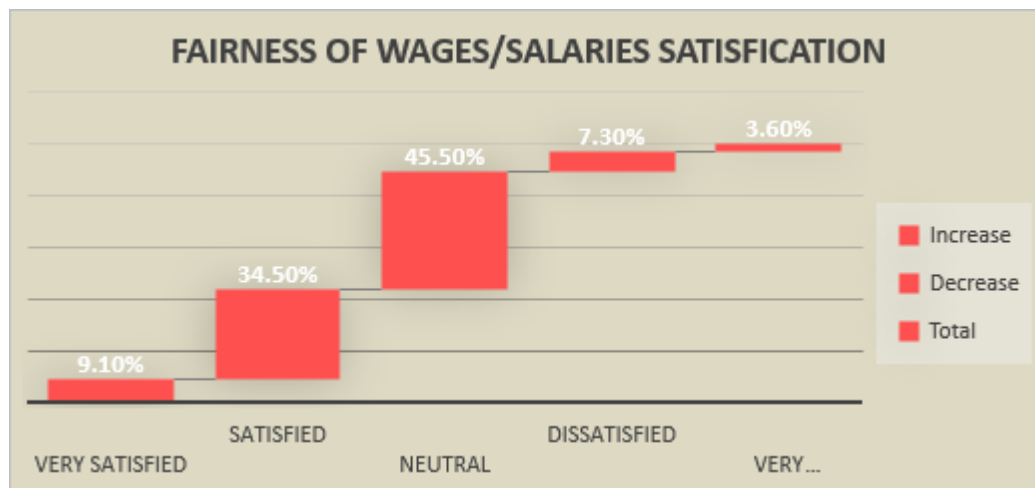
#### INFERENCE:

The largest group of respondents, comprising 41.8%, expressed a neutral belief regarding whether employees are more productive when they feel fairly compensated at work.

**TABLE 4.3**  
**FAIRNESS OF WAGES/SALARIES SATISFACTION**

PARTICULAR	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
VERY SATISFIED	5	9.1%
SATISFIED	19	34.5%
NEUTRAL	25	45.5%
DISSATISFIED	4	7.3%
VERY DISSATISFIED	2	3.6%
TOTAL	55	100%

**CHART NO 4.3**



#### INTERPRETATIONS:

9.1% of respondents expressed being very satisfied with the fairness of the wages/salary they receive compared to their responsibilities and contributions. 34.5% of respondents reported being satisfied with the fairness of their wages/salary in relation to their responsibilities and contributions. 45.5% of respondents remained neutral regarding the fairness of their wages/salary in comparison to their responsibilities and contributions. 7.3% of respondents indicated dissatisfaction with the fairness of their wages/salary relative to their responsibilities and contributions. 3.6% of respondents stated being very dissatisfied with the fairness of their wages/salary compared to their responsibilities and contributions.

#### INFERENCE:

A significant portion of respondents, totalling 45.5%, remained neutral regarding the fairness of their wages/salary compared to their responsibilities and contributions.

**TABLE 4.4**  
**INFLUENCE OF SALARY ON WORKPLACE MOTIVATION**

PARTICULAR	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
EXTREMELY INFLUENCIAL	9	16%
INFLUENCIAL	17	31%
MODERATELY INFLUENCIAL	19	35%
SLIGHTLY INFLUENCIAL	7	13%
NOT INFLUENCIAL AT ALL	3	5%
TOTAL	55	100%

CHART NO 4.4



INTERPRETATIONS:

Among the respondents, 16% are extremely influenced by salary motivation at the workplace, while 31% acknowledge being influenced by it. Additionally, 35% express a moderate level of influence, while 13% admit to slight influence. Interestingly, 5% report not being influenced by salary motivation at the workplace.

INFERENCE:

The majority of respondents, totalling 35%, report a moderate level of influence from salary motivation in the workplace.

O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) / E
9	9.581818182	-0.58182	0.338512	0.035329
9	7.890909091	1.109091	1.230083	0.155886
13	12.96363636	0.036364	0.001322	0.000102
0	0.563636364	-0.56364	0.317686	0.563636
0	0	0	0	0
8	7.418181818	0.581818	0.338512	0.045633
5	6.109090909	-1.10909	1.230083	0.201353
10	10.03636364	-0.03636	0.001322	0.000132
1	0.436363636	0.563636	0.317686	0.72803
0	0	0	0	0
TOTAL				1.730101

**CHI- SQUARE**

CALCULATED VALUE: 1730101

Degree of freedom:

$$V = (r-1) (c-1)$$

$$= (5-1) (2-1)$$

$$4 \times 1 = 4$$

Table value:

$$\chi^2(4) = \chi^2 0.05(4)$$

$$= 9.488$$

INFERENCE

Therefore, the calculated value (1.730101) is less than the table value (9.488)

We accept the  $H_0$ 

Hence proved, that there is no significant difference between genders in their belief that employees are more productive when they feel fairly compensated for their work.

**2.7 CORRELATION**

X	Y	$\bar{x} = x - X$	$\bar{y} = Y - Y$	$x^2$	$y^2$	xy
5	9	-6	-2	36	4	12
19	17	8	6	64	36	48
25	19	14	8	196	64	112
4	7	-7	-4	49	16	28
2	3	-9	-8	81	64	72
55	55	0	0	426	184	272

$$\begin{aligned} \bar{x} &= \sum X/N \\ &= 55/5 \\ &= 11 \end{aligned}$$

$$\begin{aligned} \bar{y} &= \sum Y/N \\ &= 55/5 \\ &= 11 \end{aligned}$$

**STEP: 4**

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n \sum x^2 - (\sum x)^2][n \sum y^2 - (\sum y)^2]}}$$

$$= \frac{5(272) - (55)(55)}{\sqrt{[5(426) - (55)^2][5(184) - (55)^2]}}$$

$$\sqrt{[5(426) - (55)^2][5(184) - (55)^2]}$$

$$= \frac{1360}{\sqrt{(2130)(920)}}$$

$$= \frac{1360}{\sqrt{1959600}}$$

$$= \frac{1360}{1399.86}$$

$$= \mathbf{0.971525724}$$

**STEP: 5**

**1** indicates a perfect positive correlation, **(-1)** indicates a perfect negative correlation, and **0** indicates no correlation.

That is, if the correlation coefficient is greater than zero, it is a positive relationship. Conversely, if the value is less than zero, it is a negative relationship.

Therefore, a correlation coefficient of **0.9715** indicates a positive correlation between fairness of wages/salaries satisfaction comparison to your responsibilities and contributions and the influence of salary on workplace motivation.

**KEY FINDINGS**

- Both genders share a similar belief that employees are more productive when they feel fairly compensated for their work, indicating no significant difference in this perception between genders.
- There is no clear conclusion on whether employees are more productive when they feel fairly compensated for their work.
- Employees in the organization are moderately influenced by wages and salary administration in workplace motivation.
- There is a neutral level of satisfaction among employees regarding the fairness of wages/salaries received in comparison to their responsibilities and contributions.

**CONCLUSION**

In conclusion, our analysis highlights the positive impact of fair and transparent wage and salary administration on employee satisfaction, motivation, and productivity at Run Service Info Care Pvt. Ltd. Implementing performance-based incentives and prioritizing work-life balance are crucial strategies for enhancing productivity. Moving forward, continual evaluation and improvement of our compensation practices will be key to fostering a conducive work environment and maximizing employee potential for long-term organizational success.

**REFERENCE :****REFERENCE BOOKS AND ARTICLE:**

1. "Wage and Salary Administration: A Review of Current Theories and Research", Author: Edward E. Lawler III, Journal: Personnel Psychology.
2. "Statistics for Business and Economics", Author: Paul Newbold, William L. Carlson, and Betty Thorne.

**WEBSITES:**

1. <http://www.runservice.com>
2. <http://www.businessmanagementideas.com>
3. <http://www.economicdiscussion.net>