EMPLOYER EMPLOYEE RELATIONSHIP

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Preface

The very opening of the book captures the attention of the reader. The author analyses the internal as well as the external factors that may be controlled by the employer. The profile of the study touches the key factors such as capital invested by the employer, forms of organization, pattern of ownership, experience of the employers Annual Turn over among the employers, Annual wage Bill of the employers and important factors in wage Administration.

The book a detailed infernal and descriphve statistical analysis succinctly results in invaluable findings.

The author has taken much parts to arrive at valid conclusions collecting vital data.

Ample suggestions which are practical in nature are furnished.

Thesis a book that every student of Economics should possess to get a first hand and authentic guidance undertake a study on Economic problems.

Content

EMPLOYER EMPLOYEE RELTIONSHIP IN INDIAN INDUSTRY

INTRODUCTION

The employers are having their own problems and constraints in administration. The factors influencing them are internal and external. The internal factors may be easily controlled by the employers whereas the external factors are difficult to manage. Hence, the employers should have some managerial qualities to administrate wages. The wage administration among the employers is highly important to maintain labor–management relationship. Hence the present study has made an attempt on measuring the employers' attitude on various aspects in wage administration. In order to provide the background of the employers, the profile of the employers is also discussed. Even though, the profile variables are too many, the present section confines these profiles variable into a limited ones.

PROFILE OF THE SAMPLE EMPLOYERS:
CAPITAL INVESTED BY THE EMPLOYER

The capital invested by the employer represents the amount of investment made by the employer on the industry at the time of interview. The investment made by the employer is classified in less than Rs.20 lakhs, Rs.20 to 40 lakhs, Rs.41 to 60 lakhs, Rs.61 to Rs.80 lakhs and above Rs.80 lakhs. The distribution of employers on the basis of their capital investment is shown in Table 5.1.

TABLE 1.1

CAPITAL INVESTED BY THE EMPLOYERS

Sl.No.	Investment (Rs. In lakhs)	Number of Respondents	Percentage to the total
1.	Less than 20	29	14.50
2.	20 – 40	57	28.50
3.	41 – 60	68	34.00
4.	61 – 80	28	14.00
5.	Above 80	18	9.00
	Total	200	100.00

Source: Primary data

In total, a maximum of 34.00 per cent of the employers invested Rs.41 to 60 lakhs in their industry. It is followed by 28.50 per cent of the employers with an investment range of Rs.20 to 40 lakhs. The number of employers invested above Rs.80 lakhs in their industry which constitutes 9.00 per cent to the total. In the present section, the employers are classified into two groups namely Group I and Group II. The Group I employers are the employers who invested less than 41lakhs in their industry whereas the group II employees are the employers who invested more than 40 lakhs in their industry. The important capital invested among the employers is Rs.41 to 60 lakhs.

AGE LEVEL AMONG THE EMPLOYERS

One of the important personal profiles of the employers is the age of the employers. The age of the employers may indicate their level of involvement and experience in the field. The youngster may have more scientific knowledge in the management of wage administration than the elders. Hence its is included as one of the profiles of the employers. The age among the employers is confined to less than 30 years, 30 to 40, 41 to 50, 51 to

60 years and above 60 years. The age among the employers is shown in Table 5.2.

TABLE 1.2

AGE LEVEL AMONG THE EMPLOYERS

Sl.No.	***Age level***	***Number of Employers***		***Total***
		Group I	***Group II***	
1.	Less than 30	7	9	16 (8.00)
2.	30 – 40	21	37	58 (29.00)
3.	41 – 50	33	40	73 (36.50)
4.	51 – 60	17	12	29 (14.50)
5.	Above 60	08	16	24 (12.00)
	Total	86	114	200

Source: Primary Data

(Figures in parentheses are percentages to the total.)

The important age groups among the employers are 41 to 50 years and 30 to 40 years which constitute 36.50 and 29.00 per cent to the total respectively. The number of employers with the age of above 60 years constitutes 12.00 per cent to the total. The important age group among the employers in group I are 41 to 50 and 30 to 40 age which together constitutes 62.79 per cent to the total. Among the group II employers, the important age groups are 41 to 50 years and 30 to 40 years which constitutes 67.54 per cent

to its total. The number of employers with the age of above 60 years in group I and group II constitutes 9.30 and 14.04 per cent to its respective total of 86 and 114 employers. Majority of employers are in the middle age.

Educational Qualification among the Employers

Since the educational qualification of the employers may have its own impact on the perception on the wages, wage administration and work factors in the industry, the present section includes it as one of the profile variables. The highly educated employers may realize the labor problems and also the importance of labor relations. So, they may provide more importance for the good labor relations. In the present section, the educational qualification among the employers is classified into school level, under graduation level, post graduation level, professional and technical. The distribution of employers on the basis of their educational qualification is presented in Table 5.3.

TABLE 1.3
EDUCATIONAL QUALIFICATION AMONG THE EMPLOYERS

Sl.No.	*Educational Qualification*	*Number of Employers*		*Total*
		Group I	*Group II*	
1.	Secondary Level	9	13	22 (11.00)
2.	Under Graduation	34	14	48 (24.00)
3.	Post Graduation	13	23	36 (18.00)
4.	Professional	10	28	38 (19.00)
5.	Technical	20	36	56 (28.00)
	Total	86	114	200 (100.00)

Source: Primary Data

(Figures in parentheses are percentages to the total.)

The important level of education among the employers is under graduation and professional education which constitute 24.00 and 19.00 per cent to the total respectively. In group I employers, the important level of education are under graduation and technical which constitute 39.53 and 23.25 per cent to the respective total of 86 employers. Among the group II employers, these two levels of education are technical and professional which constitute 31.58 and 24.56 per cent to its total respectively. Maximum number of employers is having under graduation and technical education.

FORMS OF ORGANISATION

The form of organization indicates the ownership of the organization. The type of ownership of the organization among the employers may influence more on the employers' perception on the wage administration. At the same time, the form of organization plays an important role in wage determination. Hence it is included as one of the profile variables in the present section. The form of organization in the present study is confined to proprietorship, partnership, company and co-operative. The distribution of employers on the basis of the form of organization is illustrated in Table 5.4.

TABLE 1.4

FORMS OF ORGANISATION AMONG THE EMPLOYERS

Sl.No.	***Form of Organization***	***Number of Employers***		***Total***
		Group I	***Group II***	
1.	Proprietorship	21	45	66 (33.00)
2.	Partnership	59	36	95 (47.50)
3.	Company	6	29	35 (17.73)
4.	Co-operative	–	4	4 (2.00)
	Total	86	114	200 (100.00)

Source: Primary data

(Figures in parentheses are percentages to the total.)

The important forms of organization among the employers in the present study are partnership and proprietorship which constitute 47.5 and 33.00 per cent to the total respectively. The cooperative type of organization constitutes only 2.00 per cent to the total. Among the group I employers, the important forms of organizations are partnership and proprietorship which constitute 68.60 and 24.42 per cent to its total respectively. Among the group II employers, the important forms of organization are proprietorship and partnership which constitute 39.47 and 31.57 per cent to the total respectively. The important form of organization among the employers is partnership.

TYPES OF OWNERSHIP AMONG THE INDUSTRY

The type of ownership in the industry is classified into freehold, leasehold and contract. The employers are asked to

mention the type of ownership in their industry. The type of ownership among the employers is presented in Table 5.5.

TABLE 1.5

TYPES OF OWNERSHIP AMONG THE EMPLOYERS

Sl.No.	*Type of Ownership*	*Number of Employers*		*Total*
		Group I	*Group II*	
1.	Freehold	43	86	129 (64.50)
2.	Leasehold	32	15	47 (23.50)
3.	Contract	11	13	24 (12.00)
	Total	86	114	200 (100.00)

Source: Primary data

(Figures in parentheses are percentages to the total.)

The most important type of ownership among the industries are freehold which constitutes 64.50 per cent to the total. It is followed by leasehold which constitutes 23.5 per cent to the total. In group I industries, the important type of ownership among the employers are freehold and leasehold which constitute 50.00 and 37.21 per cent to its total. In group II industries, the important types of ownership among the employers are freehold and leasehold which constitute 75.43 and 13.16 per cent to the total respectively. The important type of ownership among the employee is 'Freehold'.

PATTERN OF OWNERSHIP AMONG THE EMPLOYERS

The industries may be newly started or acquired or in some cases, inherited. The newly started industries may face more problems in labor and wage administration. The employers of the

aged or acquired industries may have good experience and knowledge in wages administration. Hence, the present section includes the pattern of ownership as one of the profile variables. The distribution of employers on the basis of pattern of ownership is shown in Table 5.6.

TABLE 1.6

PATTERN OF OWNERSHIP AMONG THE EMPLOYERS

Sl. No.	*Pattern of Ownership*	*Number of Employers*		*Total*
		Group I	*Group II*	
1.	Newly Started	47	70	117 (58.50)
2.	Acquired	31	33	64 (32.00)
3.	Inherited	8	11	19 (9.50)
	Total	86	114	200 (100.00)

Source: Primary Data

(Figures in parentheses are percentages to the total.)

In total, a maximum of 58.5 per cent of the total employers are engaged in newly started industries. It is followed by acquired industries which constitute 32.00 per cent to the total. Only 9.5 per cent of the industries are inherited. Among the group I employers, the important pattern of ownership is newly started which constitutes 54.65 per cent to its total. It is followed by acquired which constitutes 36.05 per cent to its total. Among the group II employers, the important pattern of ownership are newly started and acquired which constitute 61.41 and 28.94 per cent to its total respectively. The important pattern of ownership among the employees is 'Newly Started'.

YEARS OF EXPERIENCE AMONG THE EMPLOYERS

The years of experience among the employers represents the years of experience in the same field among the employers. The years of experience plays an important role in the application of scientific management principles at every where. The experienced employers have more knowledge and ideas to solve the labor problems and also maintain the good labor relations. Hence it is included as one of the profile variables. The years of experience among the employers in the present study is confined to less than 5 years, 5 to 10, 11 to 15, 16 to 20 and above 20 years. The distribution of employers on the basis of their years of experience is presented in Table 5.7.

TABLE 1.7

YEARS OF EXPERIENCE AMONG THE EMPLOYERS

Sl.No.	*Years of Experience (in years)*	*Number of Employers*		*Total*
		Group I	*Group II*	
1.	Less than 5	12	16	28 (14.00)
2.	5 – 10	14	22	36 (18.00)
3.	11 – 15	25	38	63 (31.50)
4.	16 – 20	18	28	46 (23.00)
5.	Above 20	17	10	27 (13.50)
	Total	86	114	200

Source: Primary data

(Figures in parentheses are percentages to the total.)

The important years of experience among the employers are 11 to 15 and 16 to 20 years which constitute 31.50 and 23.00 per cent to the total respectively. The number of employers with the experience of above 20 years constitutes 13.50 per cent to the total.

Among the group II employers, the important years of experiences are 11 to 15 years and 16 to 20 years which constitutes 33.33 and 24.56 per cent to its total respectively. The number of employers with the year of experience of above 20 years constitute 19.76 and 8.77 per cent to its respective total of 86 and 114 employers. Majority of employers are having a moderate level of experience.

ANNUAL TURNOVER AMONG THE EMPLOYERS

The annual turnover among the employers represents the turnover achieved by the organization in a year. Since, the annual turnover of the organization has its influence on the employers' perception on wages and wage administration it is included as one of the profile variables. The annual turnover of the organization is confined to less than Rs. 1 crores, 1 to 2, 2 to 3, 3 to 4, and above 4 crores. The distribution of employers on the basis of their annual turnover is shown in Table 5.8.

TABLE 1.8
ANNUAL TURNOVER AMONG THE EMPLOYERS

Sl. No.	*Annual Turnover (Rs. in Crores)*	*Number of Employers*		*Total*
		Group I	*Group II*	
1.	Less than 1	14	6	20 (10.00)
2.	1 – 2	36	20	56 (28.00)
3.	2 – 3	21	48	69 (34.50)
4.	3 – 4	7	25	32 (16.00)
5.	Above 4	8	15	23 (11.50)
	Total	86	114	200 (100.00)

Source: Primary data

(Figures in parentheses are percentages to the total.)

The important ranges of annual turnovers among the employers are 2 to 3 crores and 1 to 2 crores which constitute 34.5

and 28.00 per cent to the total respectively. The number of employers with the annual turnover of above 4 crores constitutes 11.5 per cent to the total. Among the group I employers, the important annual turnover are 1 to 2 and 2 to 3 crores which constitute 41.86 and 24.42 per cent to its total respectively. Among the group II employers, these two are 2 to 3 and 3 to 4 crores which constitute 42.10 and 21.92 per cent to its total respectively.

ANNUAL WAGE BILL AMONG THE EMPLOYERS

The wage bill indicates the total amount of expenses spent by the organization for the payment of wages to their employees in a year. Since the wage bill of the organization may have its impact on wage administration, it is included as one of the profile variables. The higher wage bill in the organization requires more efficient wage administration. The annual wage bill among the employers is confined to less than 15 lakhs, Rs.15 to 20 lakhs, Rs.21 to 25 lakhs, Rs. 26 to 30 lakhs and above Rs.30 lakhs. The distribution of employers on the basis of their organizations wage bill is shown in Table 5.9.

TABLE 1.9
ANNUAL WAGE BILL IN INDUSTRIES AMONG THE EMPLOYERS

Sl.No.	***Annual wage bill (Rs. in lakhs)***	***Number of Employers***		***Total***
		Group I	***Group II***	
1.	Less than 15	12	12	24 (12.00)
2.	15 – 20	32	16	48 (24.00)
3.	21 – 25	25	48	73 (36.50)
4.	26 – 30	10	19	29 (14.50)
5.	Above 30	7	19	26 (13.00)
	Total	86	114	200(100.00)

Source: Primary data

(Figures in parentheses are percentages to the total.)

The annual wage bills among the employers ranging are Rs.21 to 25 lakhs and Rs.15 to 20 lakhs which constitute 36.50 and 24.00 per cent to the total respectively. The employer dealt with the wage bill of above Rs.30lakhs per annum constitutes 13.00 per cent to the total. Among the group I employers, the first two noticeable annual wage bills are Rs.15-20 lakhs and Rs.21 to 25 lakhs which constitute 37.21 and 29.07 per cent to its total respectively. Among the group II employers, they are Rs.21 to 25 lakhs and above Rs.30 lakhs which constitute 42.11 and 16.67 per cent to its total respectively.

EMPLOYERS' PERCEPTION ON WAGE ADMINISTRATION IN THE INDUSTRY

The wage administration in the industry is an important task of the employer in order to maintain good labor-management relation and also to increase the productivity in the industry. The employers may have their own opinion on the wage administration at their industry. Even though it depends upon so many variables, the present section confines these variables to basic pay, overtime wage payment, lumsump gift, financial incentives, dearness allowance, holiday with pay, non-financial incentives, city allowance, festival advance, welfare provisions, housing allowance, bonus, festival gift and profit sharing. The employers were asked to rate the above said fourteen variables at five point scale from 'highly satisfied' to 'highly dissatisfied'. The assigned marks on these scales are from 5 to 1 respectively. The mean scores of various variables in wage administration among the group I and group II employers have been computed separately in order to exhibit their level of perception on various aspects in wage administration. The 't' test have been administered to find out the significant difference among the two group employers regarding their perception on wage administration. The results are given in Table 5.10.

TABLE 1.10
EMPLOYERS' OPINION ON WAGE ADMINISTRATION (WA)

Sl.No.	*Aspects in Wage Administration*	*Mean Score among Employers*		*t-Statistics*
		Group I	*Group II*	
1.	Basic pay	3.8643	4.1172	-0.8642
2.	Overtime wage payment	3.4502	3.3568	0.2197
3.	Lumpsum gift	2.6891	4.0893	-3.0862*
4.	Financial incentives	3.5687	2.8108	3.1909*
5.	Dearness allowance	3.9197	3.1762	2.5627*
6.	Holiday with pay	2.5086	3.4597	-2.3393*
7.	Non-financial incentives	2.7811	3.5661	-2.1492*
8.	City allowance	3.2182	3.8607	-1.9908*
9.	Festival advance	3.8996	2.6761	-2.4561*
10.	Welfare provisions	3.4508	3.9693	-1.6982
11.	Housing allowance	3.0191	4.2668	-2.6086*
12.	Bonus	3.2443	4.1196	-2.5191*
13.	Festival gift	2.6168	2.8664	-0.4149
14.	Profit sharing	3.4546	2.6093	2.7138*

Source: Primary Data

(* Significant at five per cent level.)

The highly perceived variables in wage administration among the group I employers are dearness allowance, festival advance and basic pay since the respective mean scores are 3.9197, 3.8996 and 3.8643 whereas the lesser perceived variables are holiday with pay, festival gift and lump sum gift since the respective mean scores are 2.5086, 2.6168 and 2.6891. Among the group II employers, the highly perceived variables in wage administration are housing allowance, bonus and basic pay since the respective mean scores are 4.2668, 4.1196 and 4.1172 whereas

the lesser perceived variables are profit sharing, festival advance and festival gift since the respective mean scores are 2.6093, 2.6761 and 2.8664. Regarding the perception on the variables related to wage administration, the significant mean difference among the group I and group II employers have been noticed in the case of lumpsum gift, financial incentives, dearness allowance, holiday with pay, non-financial incentives, city allowance, festival advance, housing allowance, bonus and profit sharing since the respective't' statistics are significant at five per cent level.

IMPORTANT FACTORS IN WAGE ADMINISTRATION

The important factor in wage administration is narrated by the factor analysis. The score of the variables in wage administration is included for the factor analysis. The validity of data for factor analysis is examined with the help of KMO measures and Banklett's test of sphericity. The computed KMO measure of sampling adequacy is 0.7961 and the zero level significance of Chi-square satisfies the conditions of validity of data for factor analysis. The factor analysis result in four important factors namely wages, incentives, ex-gratia and fringe benefits. The narrated four important factors explain the variables in wage administration to the extent of 72.10 per cent. The factor loading of the variables in each factor, its reliability coefficient, eigen value and the per cent of variation explained is shown in Table 5.11.

TABLE 1.11

IMPORTANT ASPECTS IN WAGE ADMINISTRATION

Factor	***Aspects in Wage Administration***	***Factor Loading***	***Eigen Value***	***Per cent of variation explained***
Wages (3.4089)	Basic pay	0.9138	0.7138	23.06
	Dearness Allowance	0.8062		
	Housing Allowance	0.7119		
	City Allowance	0.6334		
Incentives (2.5616)	Profit Sharing	0.8903	0.6596	18.94
	Financial incentives	0.8144		
	Bonus	0.7293		
	Non-financial incentives	0.6108		
	Overtime wage payment	0.5493		
Ex-gratia (1.8142)	Festival gift	0.8664	0.7919	15.62
	Lump sum gift	0.7261		
Fringe Benefits (1.3062)	Welfare provisions	0.8463	0.7664	14.48
	Holiday with pay	0.8139		
	Festival advance	0.6224		
KMO measure of sampling adequacy: 0.7961.		Bartletts Test of Sphericity: Chi-square value :99.09*		

Source: Primary data

* Significant at five per cent level.

The most important factor in wage administration is 'wage'. It consists of four variables with the reliability coefficient of 0.7138. It infers that the included four variables explain the 'wage' factor to the extent of 71.38 per cent. The eigen value and the per cent of variation explained are 3.4089 and 23.06 per cent respectively. The important variables in wage factor are basic pay and dearness allowance since the respective factor loadings are 0.9138 and 0.8062 respectively. The second factor namely incentives consists of five variables with the reliability coefficient of 0.6596. The eigen value and the per cent of variation explained are 2.5616 and 18.94 per cent respectively. The important variables in this factor profit sharing and financial incentives since the respective factor loadings are 0.8903 and 0.8144.

The third and fourth factors identified by the factor analysis are ex-gratia and fringe benefits since its eigen values are 1.8142 and 1.3062 respectively. The ex-gratia factor consists of two variables with the reliability coefficient of 0.7919 whereas the fringe benefits consist of three variables with the reliability co-efficient of 0.7664. The per cent of variation explained by the factors and the eigen value of the factor are 14.48 per cent and 1.3062 respectively. The important variables in this factor are welfare provisions and holiday with pay since the respective factor loadings are 0.8463 and 0.8139. The factor analysis results in four important factors in wage administration namely wages, incentives, ex-gratia and fringe benefits.

EMPLOYER'S PERCEPTION ON THE FACTORS IN WAGE ADMINISTRATION

The perception on the factors in wage administration is derived from the mean score of the variables involved in each factor. The mean score of the factor in wage administration is computed to represent the employers' opinion on the important factors in wage administration. Regarding the perception on the important factors, the significant difference among the two group of employers has been examined with the help of 't' test. The resulted mean score of the factors and the respective 't' statistics is shown in Table 5.12.

TABLE 1.12

EMPLOYERS' OPINION ON WAGE ADMINISTRATION

Sl.No.	***Factors***	***Mean Score among employers***		***t-Statistics***
		Group I	***Group II***	
1.	Wages	3.5053	3.8552	-0.6881
2.	Incentives	3.2998	3.2925	0.0844
3.	Ex-gratia	2.6529	3.4779	-2.1086*
4.	Fringe Benefits	3.2863	3.3684	-0.3119

Source: Primary data

* Significant at five per cent level.

The highly perceived factor in wage administration among the group I employers are wages and incentives since the mean scores are 3.5053 and 3.2998 respectively. Among the group II employers, these two factors are wages and ex-gratia since the respective mean scores are 3.8552 and 3.4779. Regarding the perception on the wage administration, the significant, difference among the two group of employers is identified in the case of perception on ex-gratia since its''t' statistics is significant at five per cent level.

ASSOCIATION BETWEEN THE PROFILE OF EMPLOYERS AND THEIR PERCEPTION ON WAGE ADMINISTRATION

The association between the profile of the employers and their perception on wage administration is analyzed with the help of one way analysis of variance. The included profile variables are capital invested, age, educational qualification, form of organization, type of ownership, pattern of ownership, years of experience, number of employees, annual turn over and annual wage bill. The associations between the profile variables and the perception on wages, incentives, ex-gratia and fringe benefits have been analyzed. The results are presented in Table 5.13.

TABLE 1.13
ASSOCIATION BETWEEN PROFILE OF EMPLOYERS AND THEIR PERCEPTION ON WAGE ADMINISTRATION

Sl. No.	*Profile Variable*	*t-Statistics*			
		Wages	***Incentives***	***Ex-gratia***	***Fringe benefits***
1.	Capital invested	2.6865*	1.8962	2.8021*	2.4501*
2.	Age	1.4462	2.0671	2.2673	2.3917
3.	Educational qualification	2.0818	2.6163*	2.4508*	2.1108
4.	Form of organization	2.8182*	3.1608*	2.3314	1.8604
5.	Type of ownership	2.6164	2.7037	3.2108*	2.6811
6.	Pattern of ownership	2.5146	2.9998*	3.1142*	3.3067*
7.	Years of experience	2.4562*	2.6161*	2.1068	2.5696*
8.	Annual turn over	2.4709*	2.5061*	2.6068*	2.7173*
9.	Annual wage bill	2.6861*	2.4414*	2.8649*	2.9068*

Source: Primary Data
* Significant at five per cent level.

Regarding the perception on wages, the significantly associating profile variables are capital invested, form of organization, years of experience, annual turn over and annual wage bill since the respective 'F' statistics are significant at five per cent level. The significantly associating profile variables with the perception on incentives are educational qualification, form of organization, pattern of ownership, years of experience, annual turnover and annual wage bill. Regarding the perception on ex-gratia, the significantly associating profile variables are capital invested, educational qualification, type of ownership, pattern of ownership, annual turnover and annual wage bill whereas in the perception on fringe benefits, the significantly associating profile variables are capital invested, pattern of ownership, years of experience, annual turnover and annual wage bill.

ATTITUDE INDEX ON WAGE ADMINISTRATION (AIWA)

The employer's attitude on the wage administration is summated with the help of an index called as Attitude Index on Wage Administration (AIWA). The AIWA is calculated by

$$AIWA = \frac{\sum_{i=1}^{n} SVWA_i}{\sum_{i=1}^{n} MSVWA_i} \times 100$$

Where, SVWA – Score on variables in wage administration

MSVWA – Maximum score on variables in wage administration.

The AIWA in present study is confined to less than 21 percent, 21 to 40, 41 to 60, 61 to 80 and above 80 per cent. The distribution of employers on the basis of their AIWA is exhibited in Table 5.14.

TABLE 1.14

ATTITUDE INDEX ON WAGE ADMINISTRATION (AIWA)

Sl. No.	***AIWA (in per cent)***	***Number of Employers***		***Total***
		Group I	***Group II***	
1.	Less than 21	5	2	7 (3.50)
2.	21 – 40	4	10	14 (7.00)
3.	41 – 60	54	65	119 (59.50)
4.	61 – 80	21	21	42 (21.00)
5.	Above 80	2	16	18 (9.00)
	Total	86	114	200 (100.00)

Source: Primary data

(Figures in parentheses are percentages to the total.)

The important AIWA among the employers in the present are 41 to 60 per cent and 61 to 80 per cent which constitute 59.5 and 21.00 per cent to the total respectively. The employers with the AIWA of above 80 per cent constitute 9.00 per cent to the total. Among the group I employers, the important AIWA are 41 to 60 and 61 to 80 per cent which constitute 62.79 and 24.42 per cent to the total respectively. Among the group II employers, the important AIWA are 41 to 60 and 61 to 80 per cent which constitute 57.02 and 18.42 per cent to its total respectively. Majority of employers are moderately viewed on wage determination.

EMPLOYERS' PERCEPTION ON THE VARIABLES INFLUENCING WAGE FIXATION

The wage administration includes the principles of wage fixation and the factors influencing the same. There are so many variables influencing the wage fixation in the industry. Even though, the variables are too many, the present section confines these variables to demand for labor, technical ability of employees, talks with employees, supply of labor, convention, talks with trade union, experience among employers, piece rate, quality of out put, going rate in the industry, talks with trade association, periodical revision of wages, productivity of employee, time rate and work load. The employers are asked to rate the above said 15 variables at five point scale according to the order of importance given in wage fixation namely highly important, important, moderate, not important and not at all important. The assigned scores on these scales are 5,4,3,2 and 1 respectively. The mean score of the variables influencing wage fixation among the group I and group II employers have been computed to show the important variables influencing the wage fixation. Regarding the variables influencing wage fixation, the significant difference among group I and group II employers have been computed with the help of 't' test. The resulted mean score of the variables and the respective 't' statistics are presented in Table 5.15.

TABLE 1.15

VARIABLES INFLUENCING WAGE FIXATION

Sl.No.	*Variable*	*Mean Score among employers*		*t-Statistics*
		Group I	*Group II*	
1.	Demand for labor	2.5781	3.2142	-1.9703*
2.	Technical ability of employees	3.6863	3.5106	0.2413
3.	Talks with employees	3.2166	3.8364	-1.9696*
4.	Supply of labor	3.4504	2.5717	2.3549*
5.	Convention	3.6973	2.6604	2.4403
6.	Talks with trade union	3.2094	3.9117	-2.3911*
7.	Experience among employers	3.4568	3.0443	0.8663
8.	Piece rate	3.6671	3.0172	1.4502
9.	Quality of out put	2.8086	2.7176	0.3309
10.	Going rate in the industry	3.6993	3.8082	-0.5417
11.	Talks with trade association	3.5054	3.8163	-0.6962
12.	Periodical revision of wages	3.8189	3.9691	-0.2141
13.	Productivity of employees	3.8994	3.1082	2.1144*
14.	Time rate	3.0617	3.8903	-1.9993*
15.	Work load	3.9193	3.0683	2.1417*

Source: Primary data

* Significant at five per cent level.

The highly perceived variables among group I employers are work load, productivity of employees and periodical revision of wages, since the respective mean scores are 3.9193, 3.8994 and 3.8189 respectively whereas the lesser perceived variables among them are demand for labor and quality of output since the

respective mean scores are 2.5781 and 2.8086. Among the group II employers, the highly perceived variables are periodical revision of wages, time rate and talks with trade associations, since the respective mean scores are 3.9691, 3.8903 and 3.8163. The lesser perceived variables among the group II employers, these are supply of Labor, convention and quality of output since the respective mean scores are 2.5714, 2.6604 and 2.7176. Regarding the perception on the variables influencing the wage fixation, the significant difference among the two groups has been identified in the case of demand for labor, talks with employees, supply of labor, convention, talks with trade union, productivity of employee, time rate and work load since the respective 't' statistics are significant at five per cent level.

IMPORTANT FACTORS INFLUENCING WAGE FIXATION

The important factors influencing wage fixation is narrated by the factor analysis. The score of the variables influencing the wage fixation is included in the analysis. Before conducting factor analysis, the validity of data for factor analysis has been conducted with the help of KMO measure of sampling adequacy and Bankletts' test of sphericity. The result of the above two measures confirmed the validity of data for factor analysis since the KMO measure is greater than 0.5 and the Chi-square value is significant at zero percent level. The factor analysis result is four important factors namely productivity, convention, market and participation. The variables included in each factor, its factor loading, its reliability coefficient and the eigen value of the factor are shown in Table 5.16.

TABLE 1.16

IMPORTANT FACTORS INFLUENCING WAGE FIXATION

Factor	***Variable***	***Factor Loading***	***Eigen Value***	***Percent of variation explained***
Productivity (4.1317)	Productivity of employee	0.8998	0.7424	22.04
	Time Rate	0.7244		
	Piece Rate	0.6909		
	Technical ability of employee	0.6236		
	Experience among employee	0.6114		
	Quality of output	0.5846		
Convention (3.0629)	Convention	0.9237	0.7908	18.43
	Periodical revision of wages	0.8046		
	Work Load	0.7337		
Market (2.7311)	Demand for labor	0.8506	0.8144	16.11
	Supply of labor	0.7149		
	Going rate in the industry	0.6802		
Participation (1.4562)	Talks with employees	0.9041	0.8331	13.27
	Talks with trade union	0.8117		
	Talks with trade association	0.7334		
KMO measure of sampling adequacy: 0.7449.		Bartletts Test of Sphericity: Chi-square: value 92.17*		

Source: Primary data

* Significant at five per cent level.

The narrated four factors explain the variables influencing wage fixation to the extent of 69.85 per cent. The important factor narrated by the factor analysis is 'productivity'. It consists of six variables with the reliability coefficient of 0.7424.

The eigen value and the per cent of variation explained by this factor are 4.1317 and 22.04 per cent respectively. The important variables in this factor are productivity of employee and time rate since its factor loading with the productivity factor are 0.8998 and 0.7244 respectively. The second factor identified by the factor analysis is convention since its eigen value is 3.0629. It consists of three variables with the reliability coefficient of 0.7908.

The third and fourth important factors identified by the factor analysis are market and participation since its eigen values are 2.7311 and 1.4562 respectively. The market and participation factors consist of three variables with the reliability coefficient of 0.8144 and 0.8331 respectively. The percent of variation explained by these two factors are 16.11 and 13.27 per cent respectively.

EMPLOYEE'S PERCEPTION ON IMPORTANT FACTORS INFLUENCING WAGE FIXATION

The employers' perception on important factors influencing wage fixation is examined with the help of the score on important factors. The score of the important factors are derived from the mean score of the variables involved in each factor. The mean score of each factor have been computed among group I and group II employers separately. In order to analyze the significant difference among the two group of employers regarding their view on important factors, the't' test has been applied. The resulted mean score of the important factors and the respective't' statistics are illustrated in Table 5.17

TABLE 1.17
EMPLOYERS' OPINION ON FACTORS INFLUENCING WAGE FIXATION

Sl.No.	*Factor*	*Mean Score among employers*		*t-Statistics*
		Group I	*Group II*	
1.	Productivity	3.6299	3.0147	1.9868*
2.	Convention	3.8118	3.2326	2.1092*
3.	Market	3.2426	3.1980	0.4963
4.	Participation	3.3105	3.8548	–1.9817*

Source: Primary Data

* Significant at five per cent level.

The highly viewed factors influencing wage fixation among the group I employers is convention and productivity since its mean scores are 3.8118 and 3.6299 respectively. Among the group II employers, these two are participation and convention since its mean scores are 3.8548 and 3.2326 respectively. Regarding the perception on the important factors influencing wage fixation, the significant difference among the two group of employers, is identified in the perception on productivity, convention and participation since the respective't' statistics are significant at five per cent level.

ASSOCIATION BETWEEN THE PROFILE OF EMPLOYERS AND THEIR PERCEPTION ON FACTORS INFLUENCING WAGE FIXATION

The association between the profile of employers and their perception on factors influencing wage fixation namely productivity, convention, market and participation are examined with the help of one way analysis of variance. The included profile

variables are capital invested, age, educational qualification, form of organization, type of ownership, pattern of ownership, years of experience, annual turnover and annual wage bill. The resulted 'F' statistics are presented in Table 5.18.

TABLE 1.18
ASSOCIATION BETWEEN PROFILE OF EMPLOYERS AND THEIR VIEWS ON FACTORS INFLUENCING WAGE FIXATION

Sl. No.	*Profile Variable*	*F-Statistics*			
		Productivity	*Convention*	*Market*	*Participation*
1.	Capital invested	2.4216	2.8611*	3.1402*	2.9193*
2.	Age	1.8612	2.0314	2.2191	2.1426
3.	Educational Qualification	2.1206	2.4508*	2.7033*	1.3917
4.	Form of organization	2.5162	2.0869	2.0211	1.8994
5.	Type of ownership	2.7673	2.1144	2.3908	2.5617
6.	Pattern of ownership	2.3317	1.9943	2.1776	2.3463
7.	Years of experience	2.5608*	2.7349*	2.9091*	2.8184*
8.	Annual turn over	2.7038*	1.9691	2.0366	2.7142*
9.	Annual wage bill	2.5068*	2.4641*	2.5191*	2.6808*

Source: Primary data

* Significant at five per cent level.

Regarding the perception on productivity factor, the significantly associating profile variables are capital invested, years of experience, annual turnover and annual wage bill since the respective 'F' statistics are significant at five per cent level. The significantly associating profile variables with the perception on convention are capital invested, educational qualification, years of experience and annual wage bill whereas regarding the perception on market, these significant profile variables are capital invested, educational qualification, years of experience and annual wage bill. Regarding the perception on participation, the

significantly associating profile variables are capital invested, years of experience, number of employees, annual turnover and annual wage bill.

DISCRIMINANT FACTOR AMONG THE GROUP I AND GROUP II EMPLOYERS

The view of group I employers may differ from the view of group II employers regarding the factors influencing wage fixation. It is highly imperative to identify the important discriminant factors among the two group of employers for some policy implications. The two group discriminant analysis has been used to identify such discriminant factors. Initially, the mean difference among the two groups regarding the perception on factors influencing wage fixation and the discriminant power of the factor are computed and shown in Table 5.19.

TABLE 1.19
MEAN DIFFERENCE AND DISCRIMINANT POWER OF FACTOR INFLUENCING WAGE FIXATION AMONG GROUP I AND GROUP II EMPLOYERS

Sl. No.	*Factor*	*Mean Score among Employers*		*Mean Difference*	*t-Statistics*	*Wilks Lambda*
		Group I	*Group II*			
1.	Productivity	3.6299	3.0147	0.6152	1.9868*	0.2408
2.	Convention	3.8118	3.2326	0.5792	2.1092*	0.2199
3.	Market	3.2426	3.1980	0.0446	0.4963	0.4644
4.	Participation	3.3105	3.8548	-0.5443	-1.9817*	0.1225

Source: Primary data

The significant mean difference among the group I and group II employers is identified in the perception on factors namely productivity, convention and participation since the respective 't' statistics are significant at five per cent level. The higher mean

difference is noticed in the case of productivity and convention since the respective mean differences are 0.6152 and 0.5792. The higher discriminant power is noticed in the case of participation and convention since the respective Wilks Lamba coefficients are 0.1225 and 0.2199 respectively. The significant factors are included to establish the discriminant function. The unstandardised procedure has been followed to establish such function. The established function is

$$Z = 0.9241 + 0.1349x_1 + 0.2146x_2 - 0.3449x_4$$

The relative constitution of discriminant variable in the total discriminant score is computed by the product of discriminant coefficient and the mean difference of the respective factors. The results are given in Table 5.20.

TABLE 1.20
RELATIVE CONTRIBUTION OF DISCRIMINANT FACTORS IN TOTAL DISCRIMINANT SCORE

Sl. No.	***Factor***	***Un-standaridised discriminant co-efficient***	***Mean Difference***	***Product***	***Relative contribution in total discriminant score***
1.	Productivity	0.1349	0.6152	0.0829	20.99
2.	Convention	0.2146	0.5792	0.1243	31.48
3.	Participation	-0.3449	-0.5443	0.1877	47.53
	Total			0.3949	100.00
Per cent of cases correctly classified: 72.46.					

Source: Primary data

The higher discriminant coefficient is identified in the case of participation since the respective discriminant coefficient is -0.3449. It infers that the degree of influence of participation and convention is identified as higher in the case of two group

discriminant function. The higher relative constitution in the total discriminant score is noticed in the case of participation since its constitution is 47.53 per cent. It is followed by the convention factor which constitute 31.48 per cent in total discriminant score. The established discriminant function correctly classifies the cases to the extent of 72.46 per cent . The analysis reveals that the important discriminant factor among the group I and group II employers are perception on participation and convention factor.

CRITICAL AREA IN WAGE DETERMINATION

The wage determination consists of so many areas. The employers perception on that areas are discussed to identify the critical area in wage determination among the employers. Even though the critical areas in wage determination are too many, the present study confines these areas to wage fixation, labour laws, consent of trade union, work load allotment, bonus declaration, political interference, incentives, overtime wage determination, Government norms, welfare amenities and market conditions. The employers are asked to rate the given eleven critical area at five point scale namely highly important, important, moderate, not important and not at all important. The assigned scores on these scales are 5,4,3,2 and 1 respectively. The mean score of each area among the group I and group II employers have been computed to identify the important critical area in wage determination among the group I and group II employers. Regarding the perception on the critical area in wage determination, the significant difference among the group I and group II employers are analyzed with the help of't' test. The results are shown in Table 5.21.

TABLE 1.21

CRITICAL AREAS IN WAGE DETERMINATION

Sl. No.	***Critical Area***	***Mean Score among employers***		***t-Statistics***
		Group I	***Group II***	
1.	Wage Fixation	3.8643	3.1716	2.3461*
2.	Labour Laws	3.1146	3.9034	2.2083*
3.	Consent of Trade Union	3.9033	4.1413	-0.4094
4.	Work Load Allotment	2.8608	3.4161	-1.3373
5.	Bonus Declaration	3.8083	2.9098	2.1408*
6.	Political Interference	3.7344	2.8191	1.9934*
7.	Incentives	3.6408	2.7104	2.0391*
8.	Overtime wage determination	2.7643	3.6044	-2.1403*
9.	Government Norms	3.8182	2.8089	2.0233*
10.	Welfare amenities	3.9096	3.0717	2.1144*
11.	Market Conditions	3.3391	3.4918	-0.2921

Source: Primary data

* Significant at five per cent level.

The highly viewed critical areas in wage determination among the group I employers are welfare amenities, wage fixation and Government norms since its mean scores are 3.9096, 3.8643 and 3.8182 respectively. Among the group II employers, these critical areas are consent of trade union, labor laws and overtime wage determination since its mean scores are 4.1413, 3.9034 and 3.6044 respectively. Regarding the perception on the critical area in wage determination, the significant difference among the group I and group II employers has been identified in the perception on wage fixation, labor laws, bonus declaration, political interference, incentives, overtime wage determination, Government norms and welfare amenities since the respective 't' statistics are significant at five per cent level.

IMPORTANT CRITICAL AREA IN WAGE FIXATION

The variables related to the critical area in wage fixation are identified by the factor analysis in order to exhibit its importance in wage fixation. The score of the critical area in wage fixation has been included for the factor analysis. The factor analysis results in two important factors are namely external and internal area. The factor loading of the critical area in two important area in wage fixation, its reliability coefficient, eigen value and the per cent of variation explained are given in Table 5.22.

TABLE 1.22

CRITICAL AREA IN WAGE FIXATION

Important Area (Eigen value)	***Area***	***Factor Loading***	***Reliability Co-efficient***	***Percent of variation explained***
External	Consent of Trade Union	0.8683	0.7169	31.47
(3.1718)	Government Norms	0.8017		
	Labor Laws	0.7344		
	Political interference	0.6409		
	Market Conditions	0.6133		
Internal	Overtime wage determination	0.9134	0.6423	29.86
(1.5609)	Wage Fixation	0.8207		
	Incentives	0.7364		
	Welfare Amenities	0.6068		
	Overtime wage determination	0.5911		
	Work load allotment	0.5267		
KMO measure of sampling adequacy: 0.7369.		Bartletts Test of Sphericity: Chi-square: value 81.24*		

Source: Primary data

* Significant at zero per cent level.

The validity of data for factor analysis has been conducted with the help of KMO measure of sampling adequacy and Bartletts test of sphericity. The KMO measure of 0.7369 is greater than 0.5 and the level of significance of Chi-Square is zero per cent level. Since the above two measures satisfy the validity of data for factor analysis. The important critical area in wage fixation is 'external' which consists of five areas with the reliability coefficient of 0.7169. The eigen value and per cent of variation explained by this factors are 3.1718 and 31.47 per cent respectively. The important areas in external factor are consent of trade union and Government norms since the respective factor loadings are 0.8683 and 0.8017. The next important factor identified by the factor analysis is 'Internal'. It consists of six areas with the reliability coefficient of 0.6423. The eigen value and the per cent of variation explained by this factor are 1.5609 and 29.86 per cent respectively. The important areas in internal factor are overtime wage determination and wage fixation since the respective factor loadings are 0.9134 and 0.8207 respectively. The factor analysis results in external and internal critical area in wage fixation.

EMPLOYERS PERCEPTION ON THE IMPORTANT AREA

The score of important area is measured by the mean score of the critical areas in external and internal area. The mean of perceptions on important area in wage fixation have been computed to show the employers' perception on that critical area. The't' test has been applied to find out the significant difference among the group I and group II employers regarding the employers' perception on important area in wage fixation. The results are given in Table 5.23.

TABLE 1.23
EMPLOYERS' PERCEPTION ON IMPORTANT AREA IN WAGE ADMINISTRATION

Sl. No.	*Important Area*	*Mean Score among employers*		*t-Statistics*
		Group I	*Group II*	
1.	External	3.5819	3.4331	0.2796
2.	Internal	3.4747	3.1473	1.1033

Source: Primary data

The higher perception among the group I employers is external area since its mean score is 3.5819. Among the group II employers, it is also external area since its mean score is 3.4331. Regarding the perception on the critical area in wage determination, the significant difference among the group I and group II employers is not identified since no 't' statistics is significant at five per cent level.

ASSOCIATION BETWEEN THE PROFILE OF THE EMPLOYERS AND THEIR PERCEPTION ON CRITICAL AREA

Since the profile of the employers have its impact on the perception of the critical area in wage fixation in the present section, an attempt to analyze has been made the association between the profile of the employees and their perception on internal and external factors. The included profile variables are capital invested, age, educational qualification, form of organization, type of ownership, pattern of ownership, years of experience, annual turnover and annual wage bill. The one way analysis of variance has been executed to analyze such association. The results are given in Table 5.24.

TABLE 1.24

ASSOCIATION BETWEEN PROFILE OF EMPLOYEES AND THEIR PERCEPTION ON IMPORTANT AREA IN WAGE ADMINISTRATION

Sl. No.	*Profile Variable*	*F-Statistics*	
		Internal	*External*
1.	Capital invested	2.4536*	2.1444
2.	Age	1.8903	2.5086*
3.	Educational qualification	2.6894*	2.9114*
4.	Form of organization	2.5108	2.3093
5.	Type of ownership	3.2197*	2.8143
6.	Pattern of ownership	2.2308	3.1408*
7.	Years of experience	2.5087*	2.6932*
8.	Annual turnover	2.2163	2.8085*
9.	Annual wage bill	2.6086*	2.1676

Source: Primary data

* Significant at five per cent level.

Regarding the perception on the internal factor, the significantly associating profile variables are capital invested, educational qualification, type of ownership, years of experience and annual wage bill since the respective 'F' statistics are significant, at five percent level. Regarding the perception on the external factor, the significantly associating profile variables are age, educational qualification, pattern of ownership, years of experience, number of employees and annual turnover since the respective 'F' statistics are significant at five per cent level.

EMPLOYERS' PERCEPTION INDEX ON CRITICAL AREA IN WAGE FIXATION (EICF)

The employers' perception on the critical area in wage fixation is summated with the help of an index called as

Employers' Perception Index on Critical area in wage Fixation (EICF). It is calculated by

$$EICF = \frac{\sum_{i=1}^{n} SCA_i}{\sum_{i=1}^{n} MSCA_i} \times 100$$

Where SCA– Score on Critical area in wage fixation
MSCA – Maximum Score on Critical area in wage fixation.

The EICF is confined to less than 21, 21 to 40, 41 to 60, 61 to 80 and above 80 per cent. The distribution of employers on the basis of EICF is shown in Table 5.25.

TABLE 1.25
EMPLOYERS PERCEPTION INDEX ON CRITICAL AREA IN WAGES FIXATION (EICF)

Sl. No.	***EICF (in per cent)***	***Number of Employers***		***Total***
		Group I	***Group II***	
1.	Less than 21	15	19	34 (17.00)
2.	21 – 40	13	19	32 (16.00)
3.	41 – 60	24	46	70 (35.00)
4.	61 – 80	18	17	35 (17.50)
5.	Above 80	16	13	29 (14.50)
	Total	86	114	200 (100.00)

Source: Primary data
(Figures in parentheses are percentages to the total.)

The important EICF among the employers are 41 to 60 and 61 to 80 per cent which constitute 35.00 and 7.5 per cent to its total respectively. Among the group I employers, the first two EICF are 41 to 60 and 61 to 80 per cent which constitute 27.91 and 20.93 per cent to its total respectively. Among the group II employers, these two indices are 41 to 60 and less than21 per cent which constitute 40.35 and 16.67 per cent to its total respectively. Majority of employees are moderately viewing the critical area in wage fixation.

EMPLOYERS PERCEPTION ON OVERALL TREND IN THE INDUSTRY

The overall trends in the industry among the employers reflect their attitude towards the industry. Since the employers' attitude towards the industry is very important for the survival of the industry, it is included in the present section. Eventhough, the trend related factors in the industry are too many, the present section confines these measures in the industry to technology, working conditions, industrial relations, Government support, economic trend, job satisfaction among the employees, recognition of employees, cost reduction, automation, training to employees, labor and management relations, team work, continuous updating, support of superiors, sale of products, employees' pride, management involvement, participative management, quality of the product and standard of living of the employees. The employers are asked to rate the above said twenty variables at five point scale namely highly satisfied, satisfied, moderate, dissatisfied and highly dissatisfied. The assigned marks on these scales are 5,4,3,2 and 1 respectively. The mean score on the measures in the trend have been computed to show the employers' attitude towards the

industry. The 't' test has been administered to product the significant difference among the group I and group II employers regarding their attitude towards industry. The results are given in Table 5.26.

TABLE 1.26
EMPLOYERS' PERCEPTION ON OVERALL TREND IN THE INDUSTRY

Sl. No.	*Measures in Industry*	*Mean Score among employers*		*t-Statistics*
		Group I	*Group II*	
1.	Technology	2.3896	3.0144	-1.9714*
2.	Working conditions	3.1143	3.8608	-1.5033
3.	Industrial relations	3.4432	3.5173	0.2634
4.	Government support	2.5669	2.6144	0.1398
5.	Economic trend	3.1406	2.8089	0.4067
6.	Job satisfaction among the employees	3.6143	2.9694	0.8908
7.	Recognition of employees	2.9098	3.2466	-0.5089
8.	Cost reduction	3.4448	3.9097	-0.8184
9.	Automation	2.8184	3.8606	-2.3084*
10.	Training to employees	3.1206	3.9136	-1.9907*
11.	Labor and management Relations	3.3069	3.8444	-1.0243
12.	Team work	2.7183	3.1718	-0.4969
13.	Continuous updation	2.5089	3.4517	-2.0733*
14.	Support of superiors	2.8086	3.2408	-0.6307
15.	Sale of products	3.4517	3.3391	0.1418
16.	Employees' Pride	2.8917	3.8603	-2.0692*
17.	Management involvement	3.1144	3.9142	-1.9896*
18.	Participative management	3.8417	2.9096	2.1147*
19.	Quality of the product	3.4048	3.9942	-0.8236
20.	Standard of living of the Employees	2.9193	3.5108	-0.7083

Source: Primary Data

* Significant at five per cent level.

The highly perceived trends in the industry among the group I employers are participative management, job satisfaction among employees and sale of products since its mean scores are 3.8417, 3.6143 and 3.4517 respectively. The lesser perceived trends in the industry among them are technology, continuous updating and Government support since its mean scores are 2.3896, 2.5089 and 2.5669 respectively. Among the group II employers, these measures in the industry are management involvement, training to employees and cost reduction since its mean scores are 3.9142, 3.9136 and 3.9097 respectively whereas the lesser perceived trends are Government support, economic trend and participative management since its mean scores are 2.6144, 2.8089 and 2.9096 respectively. Regarding the perception on the overall trend in the industry, the significant difference among the group I and group II employers have been identified in the perception on technology, automation, training to employees, continuous updating, employees' pride, management involvement and participative management since the respective 't' statistics are significant at five per cent level.

IMPORTANT TRENDS IN THE INDUSTRY

The employers' perception on the overall industry is summated with the help of factor analysis. The score of twenty trends in the industry have been used for the analysis. The data validity of factor analysis has been examined with the help of KMO measures and Banklett's test of sphericity. The data validitiy is confirmed since the KMO measure is greater than 0.50 and the level of significance of Chi-Square is at Zero per cent level. The application of factor analysis results in five important trends in the industry namely productivity, worker men, relationship,

management and environment. The factor loading of the trends in each important trend, its reliability coefficient, eigen value and the per cent of variation explained are summarized in Table 5.27.

TABLE 1.27
IMPORTANT TRENDS IN THE INDUSTRY

Important Area (Eigen value)	*Trends*	*Factor Loading*	*Reliability Co-efficient*	*Percent of variation explained*
Productivity (3.6919)	Technology	0.9234	0.7039	22.08
	Quality of Product	0.8417		
	Automation	0.7686		
	Cost Reduction	0.7162		
	Continuous Updating	0.6239		
	Sales of Products	0.5844		
Work men (2.8108)	Working Conditions	0.8916	73.46	17.31
	Standard of living of employees	0.7334		
	Job Satisfaction among Employees	0.7116		
	Recognition of employees	0.6834		
	Training to employees	0.6069		
Relationship (2.3317)	Team Work	0.8873	0.7141	15.46
	Industrial Relations	0.8244		
	Support of Superiors	0.7089		
	Employees' Pride	0.6343		
Management (1.9618)	Participative Management	0.9169	0.8246	14.48
	Management Involvement	0.8334		
	Labor -Management Relations	0.7636		
Environment (1.2344)	Government Support	0.8484	0.8548	9.97
	Economic Trend	0.7669		
KMO measure of sampling adequacy: 0.6867.		Bartletts' Test of Sphericity: Chi-square: value 74.48*		

Source: Primary data*

(Significant at zero per cent level.)

The narrated five important areas in the industry explain the various trends in the industry to the extent of 79.30 per cent. The important trend in the industry is productivity since its eigen

value and the per cent of variation explained are 3.6919 and 22.08 per cent respectively.

The important trends in the productivity are technology and quality of the product since its factor loadings with this productivity are 0.9234 and 0.8417 respectively. The included variables in this productivity are six which explain this productivity to the extent of 70.39 per cent. The second and third important trends narrated by the factor analysis are workmen and relationship. The workmen consist of five trends with the reliability coefficient of 0.7346 whereas the relationship consists of four trends with the reliability coefficient of 0.7141. The most important trends in the workmen and relationship are working conditions and team work respectively.

The fourth important trend narrated by the factor analysis is management. It consists of three trends with the reliability coefficient of 0.8246. The eigen value and the per cent of variation explained by this factor are 1.9618 and 14.48 per cent respectively. The last factor identified by the factor analysis is environment. It consists of two trends with the reliability coefficient of 0.8548. The eigen value and the per cent of variation explained are 1.2344 and 9.97 per cent respectively. The factor analysis results in five important trends in the industry for further analysis.

EMPLOYER'S PERCEPTION ON IMPORTANT TRENDS IN THE INDUSTRY

The perception on important trends in the industry is drawn from the score of the important trends in the industry. The score of the important trends are desired from the mean score of the score of the various trends in each important trend. The mean score of each important trend among the employers have

been computed to exhibit the employers' perception on the important trends. The 't' test has been executed to find out the significant difference among the group I and group I employers regarding their perception on the important trends. The resulted mean score and the respective 't' statistics are given in Table 5.28.

TABLE 1.28
EMPLOYERS' PERCEPTION ON IMPORTANT TRENDS IN THE INDUSTRY

Sl. No.	***Factor***	***Mean Score among employers***		***'t'-Statistics***
		Group I	***Group II***	
1.	Productivity	3.0030	3.5949	-1.9698*
2.	Workers	3.1357	3.5002	-1.0347
3.	Relationship	2.9655	3.4477	-1.5086
4.	Management	3.4210	3.5561	-0.2968
5.	Environment	2.8538	2.7117	0..3301

Source: Primary data

(* Significant at five per cent level.)

The highly perceived important trend in the industry among group I employers are workers and productivity since its mean scores are 3.1357 and 3.0030 respectively. Among the group II employers, these two are productivity and management since the respective mean scores are 3.5949 and 3.5561. Regarding the employers' perception on important trends, the significant difference among the group I and group I employers is noticed in the case of productivity only since the respective't' statistics is significant at five per cent level.

ASSOCIATION BETWEEN THE PROFILE OF EMPLOYERS AND THEIR PERCEPTION ON IMPORTANT TRENDS

The association between the profile of employers and their perception on important trends in the industry is examined to find out the significant difference among the employers under different profile classification regarding their perception in overall trend in the industry. The included profile variables are capital invested, age, educational qualification, form of organization, type of ownership, pattern of ownership, and years of experience, annual turnover and annual wage bill. The one way analysis of variance has been administered to find out such association. The resulted 'F' statistics are shown in Table 5.29.

TABLE 1.29

ASSOCIATION BETWEEN PROFILE OF EMPLOYEES AND THEIR PERCEPTION ON OVERALL TREND IN THE INDUSTRY

Sl. No.	***Profile Variable***	***t-Statistics***				
		Productivity	***Workmen***	***Relation-ship***	***Manage-ment***	***Environment***
1.	Capital invested	2.4502*	2.1797	2.6811*	2.6024*	1.9698
2.	Age	1.8611	0.8141	1.5646	2.0391	2.2696
3.	Educational qualification	2.5163*	2.7108*	2.4068*	2.6246*	2.7131*
4.	Form of organization	2.3080	2.1141	2.3464	2.5762	2.8082*
5.	Type of ownership	2.2141	2.0863	3.1143*	2.9969*	1.9636
6.	Pattern of ownership	20868	1.8441	2.7108	2.3343	2.0969
7.	Years of experience	2.4508*	2.7137*	2.8696*	2.1172	1.8614
8.	Annual turnover	2.8608*	2.4507*	1.9408	2.1214	2.4508*
9.	Annual wage bill	1.9193	2.5096*	2.1142	2.3962*	1.5056

Source: Primary data

* Significant at five per cent level.

Regarding the perception on productivity, the significantly associating profile variables are capital invested, educational qualification, years of experience and annual turnover since the respective 'F' statistics are significant at five per cent level. The significantly associating profile variables in perception on workers are educational qualification, years of experience, annual turnover and annual wage bill whereas in the perception on relationship, these significant profile variables are capital invested, educational qualification, types of ownership and years of experience. Regarding the perception on management, the significant difference among the employers is identified when they are classified on the basis of capital invested, educational qualification, type of ownership and annual wage bill. Regarding the perception on environment, the significantly associating profile variables are educational qualification, form of organization and annual turnover.

ATTITUDE INDEX ON OVERALL TREND IN THE INDUSTRY (AIOTI)

The perceptions on overall trend in the industry among the employers have been summated with the help of an index called as Attitude Index on Overall Trend in the Industry (AIOTI). It is calculated by

$$ATOTI = \frac{\sum_{i=1}^{n} STJ_i}{\sum_{i=1}^{n} MSTI_i} x100$$

Where, STI – Score on trends in the industry

MSTI – Maximum Score on trends in the industry.

In the present study, AIOTI is confined to less than 21 per cent, 21 to 40, 41 to 60, 61 to 80 and above 80 per cent. The distribution of employers on the basis of AIOTI is presented in Table 5.30.

TABLE 1.30
ATTITUDE INDEX ON OVERALL TREND IN THE INDUSTRY (AIOTI)

Sl. No.	***AIOTI (in per cent)***	***Group-I***	***Group-II***	***Total***
1.	Less than 21	8	11	19 (9.50)
2.	21–40	22	22	44 (22.00)
3.	41–60	39	49	88 (44.00)
4.	61–80	11	19	30 (15.00)
5.	Above 80	6	13	19 (9.50)
	Total	86	114	200 (100.00)

Source: Primary data

(Figures in parentheses are percentages to the total.)

The important AIOTI among the employers are 41 to 60 per cent and 21 to 40 per cent which constitute 44.00 and 22.00 per cent to the total respectively. The employer with the AIOTI of 80 per cent constitutes 9.5 per cent to the total. The important AIOTI among the group I employers are 41 to 60 and 21 to 40 per cent which constitute 45.35 and 25.58 per cent to its total of 86 employers. Among the group II employers, these are also 41 to 60 and 21 to 40 per cent which constitute 42.98 and 19.29 per cent to

its total. There is a moderate view on the over all industry identified among the employers.

PROBLEMS ENCOUNTERED IN WAGE ADMINISTRATION

The employers face so many problems in wage administration. It may be related to finance, psychology or labor relations. In some industries, the basis of wage fixation and increment is a hectic problem among the employers. Even though the problems in wage administration are too many, the present study confines these problems to labor turnover, workers absenteeism, labor productivity, trade union, industrial disputes, resistance to change, work load, fixation of wage, fixation of dearness allowance, bonus declaration, training to workers, overtime wage, calculation of individuals constitution, periodical revision of wages and political interference. The employers are asked to rate above said fifteen problems at five point scales namely highly important, important, moderate, not important and not at all important. The assigned scores on these scales are 5,4,3,2 and 1 respectively. The mean score of each problem among the employers have been computed to identify the important problem among them. The't' test has been administered to find out the significant difference among group I and group II employers regarding their views on problems encountered in wage administration. The results are given in Table 5.31.

TABLE 1.31

PROBLEMS ENCOUNTERED IN WAGE ADMINISTRATION

Sl. No.	*Problem*	*Mean Score among employers*		*t-Statistics*
		Group I	*Group II*	
1.	Labor turnover	3.8968	3.0142	2.1717*
2.	Workmen absenteeism	3.3391	3.0234	0.6869
3.	Labor productivity	2.8696	3.8919	–2.2619*
4.	Trade union	3.9194	3.0646	2.3434*
5.	Industrial disputes	2.9446	3.8144	–2.4508*
6	Resistance to change	2.8661	3.7646	–2.3962*
7.	Work load	3.4558	3.0962	0.7336
8.	Fixation of Wage	3.2142	3.1141	0.2408
9	Fixation of dearness allowance	3.5659	3.0696	1.0673
10	Bonus declaration	3.7178	3.1142	1.9737*
11.	Training to employees	3.9949	3.0691	2.2173*
12.	Overtime wage	3.5658	2.8144	2.0969*
13.	Calculation of individuals contribution	3.8104	2.9691	2.1144*
14.	Periodical revision of wages	3.9443	2.8106	2.5051*
15.	Political interference	3.9664	3.0893	2.2962*

Source: Primary data

(* Significant at five per cent level.)

The highly viewed problems in wage administration among the group I employers are training to employees, political interference and periodical revision of wages since its mean scores are 3.9949, 3.9664 and 3.9443 respectively. The lesser viewed problems in wage administration among them are resistance to change, labor productivity and industrial disputes since its mean scores 2.8661, 2.8696 and 2.9446 respectively. Among the group II

employers, the highly perceived problems in wage administration are labor productivity, industrial disputes and resistance to change since its mean scores are 3.8919, 3.8144 and 3.7646 respectively. The lesser viewed problems among them are periodical revision of wages, overtime wage and calculation of individual's constitution since its mean scores are 2.8106, 2.8144 and 2.9691 respectively. Regarding the perception on various problem encountered in wage administration, the significant difference among the group I and group II employers have been identified in the perception on labor turnover, labor productivity, trade union, industrial disputes, resistance to change, bonus declaration, training to employees, overtime wage, calculation of individual's contribution, periodical revision of wages and political interference since the respective 't' statistics are significant at five per cent level.

IMPORTANT PROBLEMS IN WAGE ADMINISTRATION

The important problems in wage administration are analyzed with the help of factor analysis. The score of various problems involved in wage administration has been included for the analysis. Initially, the validity of data for factor analysis has been examined with the help of KMO measure and Bankletts' test of sphericity. The KMO measure of 0.7144 and zero per cent level of significance of the Chi-square satisfy the validity of data for factor analysis. The factor analysis results in five important problems namely fixation of wages, psychological, productivity, work and environmental problems. The problems in five important areas, its factor loading, reliability coefficient, eigen value and the per cent of variation explained are summarized in Table 5.32.

TABLE 1.32

IMPORTANT PROBLEMS AMONG EMPLOYERS

Important Area	*Problem*	*Factor Loading*	*Reliability Co-efficient*	*Per cent of variation explained*
Fixation (4.0694)	Fixation of wage	0.8684	0.7564	21.69
	Bonus declaration	0.8149		
	Fixation of dearness allowance	0.7342		
	Overtime wage	0.7091		
	Periodical revision of wages	0.6496		
Psychological (2.7168)	Resistance to change	0.9143	0.7929	18.44
	Calculation of individuals contribution	0.8229		
	Industrial disputes	0.7224		
Productivity (2.5114)	Labor turnover	0.8439	0.7061	15.09
	Labor productivity	0.7086		
	Employees' absenteeism	06334		
Work (1.7162)	Work load	0.9196	0.7339	12.36
	Training to workers	0.8224		
Environmental (1.3308)	Trade union	0.8089	0.7062	9.17
	Political interference	0.7124		
KMO measure of sampling adequacy: 71.44.		Bartletts Test of Sphericity: Chi-square: value 82.08*		

Source: Primary data

* Significant at five per cent level.

The five important problems in wage determination explain the problems involved in wage determination to the extent of 76.75 per cent. The most important problem identified by the factor analysis is fixation of wages since its eigen value is 4.0694. It

consists of five problems with the reliability coefficient of 0.7564. The per cent of variation explained by this factor is 21.69 per cent.

The second important problem identified by the factor analysis is psychological problems since its eigen value and the per cent of variation explained by this factor are 2.7168 and 18.44 per cent respectively. It consists of three problems with the reliability coefficient of 0.7929. The third and fourth important problems are productivity and work since the respective eigen values are 2.5114 and 1.7162. The 'productivity' related problems consist of three problems with the reliability coefficient of 0.7061 whereas the work related problem consists of the problems with the reliability coefficient of 0.7339. The last important problem identified by the factor analysis is 'Environmental' problem. It consists of two problems with the reliability coefficient of 0.7062. The factor analysis results in five important problems namely fixation of wages, psychological, productivity, work and environmental for the further analysis.

EMPLOYERS' PERCEPTION ON IMPORTANT PROBLEMS

The employers' perception on important problems is derived from the score of the problems in each important problem. The mean score of important problem is computed among group I and group II employers in order to exhibit the employers' perception on important problems. The't' test has been applied to test the significant difference among the two group of employers regarding their perception on important problems. The resulted mean score on important problems and the respective't' statistics are illustrated in Table 5.33.

TABLE 1.33

EMPLOYERS' PERCEPTION ON IMPORTANT PROBLEMS

Sl. No.	*Important problems*	*Mean Score among employers*		*t-statistics*
		Group-I	*Group-II*	
1.	Fixation of wages	3.6016	2.9846	1.9908*
2.	Psychological	3.2070	3.5160	–0.7079
3.	Productivity	3.3685	3.3098	0.1234
4.	Work	3.7254	3.0827	2.1708*
5.	Environmental	3.9429	3.0769	2.4541*

Source: Primary data

* Significant at five per cent level

The highly viewed problems among the group I employers are environmental and work related problems since the respective mean scores are 3.9429 and 3.724. Among the group II employers, these two important problems are psychological and productivity related problems since its mean scores are 3.5160 and 3.3098 respectively. Regarding the perception on important problems in wage administration, the significant difference among the two group of employers is identified is the case of perception on fixation of wages, work and environment related problems since the respective't' statistics are significant at five per cent level.

ASSOCIATION BETWEEN PROFILE OF EMPLOYERS AND THEIR PERCEPTION ON IMPORTANT PROBLEMS

The profile of the employers may be associated with their perception on important problems in the wage administration. Hence, an attempt has been made to analyze these associations with the help of one way analysis of variance. The included profile variables are capital invested, age, educational background, form of organization, type of ownership, pattern on ownership, years of experience, annual turnover and annual wage bill. The results are given in Table 5.3.

TABLE 1.34

ASSOCIATION BETWEEN PROFILE OF EMPLOYERS AND THEIR PERCEPTION ON IMPORTANT PROBLEMS

Sl. No.	***Profile Variables***	***F-Statistics***				
		Productivity	***Workmen***	***Relation-ship***	***Manage-ment***	***Environment***
1.	Capital invested	2.7071*	1.3344	2.5678*	2.4502*	1.3342
2.	Age	1.3496	2.9198*	2.7033*	1.9696	2.7176*
3.	Educational Qualification	2.4502*	2.0671	3.1443*	2.5607*	2.1144
4.	Form of organization	2.5162	2.1417	1.9697	1.8083	2.4541
5.	Type of ownership	3.1417*	2.0696	2.4542	2.6608	2.1708
6.	Pattern of ownership	2.6861	2.7144	3.1408*	3.0141*	1.9697
7.	Years of experience	2.4542*	1.9691	2.7174*	2.4542*	2.0676
8.	Annual turnover	2.4508*	2.9091*	3.0646*	2.9172*	2.8649*
9.	Annual wage bill	2.5171*	2.3141	2.6848*	2.7374*	3.5086*

Source: Primary data

* Significant at five per cent level.

Regarding the perception on the problem of wage fixation, the significantly associating profile variables are capital invested, educational background, type of ownership, years of experience, annual turnover and annual wage bill since the respective 'F' statistics are significant at five percent level. The significantly associating profile variables with the perception on psychological problems are age and annual turnover whereas regarding the perception on productivity problems, these profile variables are capital invested, age, educational background, and pattern of ownership, years of experience, annual turnover and annual wage bill. By the perception on environmental problem, the significantly associating profile variables are age, annual turnover and annual wage bill.

PROBLEM PERCEPTION INDEX AMONG THE EMPLOYERS (PPI)

The perceptions on various problems in the wage administration among the employers are summated with the help of an index called as 'Problem Perception Index' (PPI). The PPI is calculated by

$$PPI = \frac{\sum_{i=1}^{n} SPI_i}{\sum_{i=1}^{n} MSPI_i} X100$$

Where SP- Score on Problems

MSP- Maximum Score on Problems.

The PPI in the present section is confined to less than 21 per cent, 21 to 40, 41 to 60, 61 to 80 and above 80 per cent. The Table 5.35 shows the number of employers with various PPI.

TABLE 1.35
PROBLEM PERCEPTION INDEX AMONG THE EMPLOYERS (PPI)

Sl. No.	*PPIE (in per cent)*	*Number of employers*		*Total*
		Group-I	*Group-II*	
1.	Less than 21	4	11	15 (7.50)
2.	21–40	11	20	31 (15.50)
3.	41–60	29	49	78 (39.00)
4.	61–80	29	19	48 (24.00)
5.	Above 80	13	15	28 (14.00)
	Total	86	114	200 (100.00)

Source: Primary data

(Figures in parenthesis are percentages to the total.)

The important PPI among the employers are 41 to 60 per cent and 61 to 80 per cent which constitute 39.00 and 24.00 per cent to the total respectively. Among the group I employers, the important, PPI are 41 to 60 and 61 to 80 per cent which constitute 33.72 to its total in each case. Among the group II employers, these two PPI are 41 to 60 and 21 to 40 per cent which constitute 42.98 and 17.54 per cent to its total respectively. The analysis reveals that the group I employers perceive the problems in wage administration at a higher rate than the group II employers. More number of employers' views the problems in the industry at a moderate level.

DISCRIMINATE INDICES AMONG THE GROUP I AND GROUP II EMPLOYERS

The group I employers may differ from group II employers regarding their perception on wage related aspects. In order to identify the important discriminate perception on wage related aspects among the two group of employers, the indices namely Attitude Index on Wage Administration (AIWA), Employes' perception Index on Critical Area in wage fixation (EICA), Attitude Index on overall Trend in the Industry (AIOTI) and Problem Perception Index (PPI) have been framed. The two group discriminant analysis has been executed to identify the important discriminate indices among the two group of employers. Initially, the mean difference, its statistical significance and the Wilks Lambda have been computed and presented in Table 5.36.

TABLE 1.36

MEAN DIFFERENCE AND DISCRIMINANT POWER OF INDEX AMONG GROUP I AND GROUP II EMPLOYERS

Sl. No.	*Attitude Index*	*Mean Score among Employers*		*Mean Difference*	*t-Statistics*	*Wilks Lambda*
		Group I	*Group II*			
1.	AIWA	52.38	67.36	–14.98	–4.1432*	0.1402
2.	EICA	71.54	66.42	5.12	–2.1409*	0.3962
3.	AIOTI	62.08	67.59	–5.51	–2.4142*	0.3442
4.	PPI	73.36	63.51	9.85	3.8217*	0.1911

Source: Primary data

* Significant at five per cent level.

The significant mean differences are noticed in the case of AIWA, EICA, AIOTI and PPI since the respective't' statistics are significant at five per cent level. The higher mean difference is

identified in the case of AIWA and AIOTI since the respective mean differences are –14.98 and –5.51. The higher discriminant power of indices are noticed in the case of AIWA and PPI since the respective Wilks Lambda are 0.1402 and 0.1911 respectively. The significant attitude indices are included to establish the discriminant function. The unstandardised procedure has been followed establish such function. The established function is.

$$Z = 0.5742+0.1096x_1+0.2962x_2+0.3144x_3-0.1146x_4$$

The relative constitution of discriminant indices in the total discriminant score is computed by the product of the discriminant coefficient and the respective mean differences of the indices. The results are given in Table 5.37.

TABLE 1.37

RELATIVE CONTRIBUTION OF DISCRIMINANT FACTORS IN TOTAL DISCRIMINANT SCORE

Sl. No.	***Index***	***Unstandaridised discriminant co-efficient***	***Mean Difference***	***Product***	***Relative contribution in total discriminant score***
1.	AIWA	–0.1096	–14.98	1.6418	27.27
2.	EICA	0.2962	5.12	1.5165	25.19
3.	AIOTI	0.3144	–5.51	1.7323	28.78
4.	PPI	–0.1146	9.85	1.1288	18.76
	Total			6.0194	100.00
Per cent of cases correctly classified: 71.08					

Source: Primary data

The higher discriminant coefficients are identified in the case of EICA and AIOTI since the respective coefficients are 0.2962 and 0.3144. It infers that there is a higher degree of influence of

the above said two indices on the discriminant function. The higher relative constitution in the total discriminant score is identified in the case of AIOTI, AIWS and EICA since its relative constitutions are 28.78, 27.27 and 25.19 per cent to the total respectively. The established discriminant function correctly classifies the group of employers to the extent of 71.08 per cent. The analysis infers that the important discriminate indices among the two group of employers are Attitude Index on Wage Administration, Employer's Perception Index on Critical Area in Wage Administration and Attitude Index on Overall Trend in the Industry among the employers.

EMPLOYEES AND THEIR PERCEPTION ON THE INDUSTRY

INTRODUCTION

In the present chapter, an attempt is made to understand the management of labor and wages and to study the perception of employees of sample industrial units. For this purpose, six industries practicing high percentage of piece rate wage system and a similar number of industries adopting time rate wage system have been selected. The present chapter deals with the socio economic background of the employees selected for the study, the conditions and reality upon which the structure and system of wage payments have been formulated and their role in the existing industrial relations.

Age Profile of the Sample Employees

Age level of the work force is an important criterion to judge their general motivational level, commitment level and the loyalty level in an organization. In order to understand the present age level of the sample employees, they were classified into different age groups and are presented in Table 4.1

TABLE 2.1

AGE LEVEL OF THE SAMPLE EMPLOYEES

Sl. No.	***Age Level (in Years)***	***No. of Respondents***	***Percentage***
1.	Less than 20	45	4.67
2.	20 – 30	210	21.78
3.	30 – 40	356	36.92
4.	40 -50	290	30.08
5.	More than 50	63	6.53
	Total	964	100

Source: Primary data

It is seen from Table 4.1 that sample employees constituting 36.92 per cent of the total were in the age group of 30-40 years followed by 290 persons who account for 30.08 per cent were in the age group of 40-50 years. While 210 respondents covering 21.78 per cent were in the age group of 20-30 years, only 63 respondents constituting 6.53 per cent were more than 50 years of age. The youngest group of less than 20 years of age constitutes 4.67 per cent of the total number of respondents. From the above table, it could be clearly observed that a majority of 67 per cent of the sample employees were in the age group of 30-50 years.

Level of literacy among the Sample Employees

Literacy level of an employee generally indicates his awareness level about the organization, his relationship with fellow employees and his responsibility towards the society. Data were collected from the sample respondents about their educational qualification and classification was made accordingly. The details are presented in Table 4.2

TABLE 2.2

LITERACY LEVEL OF THE SAMPLE EMPLOYEES

Sl. No.	***Literacy Level***	***No. of Respondents***	***Percentage***
1.	Secondary	390	40.45
2.	Higher secondary	276	28.63
3.	Degree	54	5.60
4.	Technical	110	11.41
5.	Others	134	13.90
	Total	964	100

Source: Primary data

It is observed from Table 4.2 that around 40.45 per cent of the respondents selected for the study had only secondary level of education. Employees who had completed their higher secondary education constitute 28.63 per cent. Out of the total, technically qualified employees constituted 11.41 per cent, whereas the degree holders constitute 5.60 per cent. The sample employees with no formal education were classified under "others" category. They form part of 13.9 per cent of the total sample respondents. On the whole, a majority of more than 69 per cent of the respondents had their literacy level up to higher secondary level. The important level of education among the employees is only secondary level.

Level of experience among Sample Employees

Experience is a yet another factor that determines the overall reputation of an organization. An organization comprising of more numbers of experienced employees generally commands greater amount of good will. As experience grows, the skill will grow and in turn the productivity will also grow. The researcher is interested to know the composition of the selected work force according to their level of experience. Therefore data were collected in respect of each sample respondent and grouped and are presented in table 4.3

TABLE 2.3

EXPERIENCE LEVEL OF THE SAMPLE EMPLOYEES

Sl. No.	***Experience Level (in Years)***	***No. of Respondents***	***Percentage***
1.	Less than 5	182	18.87
2.	5 – 10	114	11.83
3.	10 – 15	273	28.32
4.	15 – 20	255	26.45
5.	More than 20	140	14.52
	Total	964	100

Source: Primary data.

Table 4.3 shows that 273 employees constituting 28.32 per cent of the sample size had a total experience of 10–15 years. This is followed by 255 employees constituting 26.45 per cent who had service experience of 15-20 years. While 182 respondents covering 18.87 per cent representing the experience group of less than 5 years, 140 respondents constituting 14.52 per cent had more than 20 years of experience. Overall a majority of around 55 per cent of the sample employees had a total experience of 10-20 years. There is moderate level of experience among the employees.

Family size of the Sample Employees

Family size is considered to be one of the social factors that influence the employees commitment towards the organizational objectives. It generally acts as a route cause for ideal mind set which in turn to have a positive approach on work culture and working environment. Data were collected about the number of family members of sample employees, grouped and presented in Table 4.4. For the present study a family consisting of less than 4 members was categorized as small, between 4 and 6 members as medium and a family consisting of more than 6 members as large family.

TABLE 2.4

FAMILY SIZE OF THE SAMPLE EMPLOYEES

Sl. No.	***Family Size***	***No. of Respondents***	***Percentage***
1.	Small	338	35.06
2.	Medium	475	49.27
3.	Large	151	15.66
	Total	964	100

Source: Primary data.

From the Table 4.4 one could observe that out of 964 sample respondents 475 constituting 49.27 per cent belonged to medium size family whereas 338 constituting 35.06 per cent belonged to small family category. Only 151 respondents forming part of 15.66 per cent to the total belonged to large family category. Thus, it could be inferred that at least half of the sample respondents were from medium size families.

Mode of entry of the Sample Employees

There are several modes of recruitment in an industrial unit by which employees are recruited from different sources. Though there is no hard and fast rule is applicable for recruitment in private sector organization, a specific mode of recruitment may influence the attitude level of employees toward the organization. In the study area the popular modes of recruitment adopted by the employers were direct recruitment, recruitments through trade unions, recruitment under compassionate grounds and the like. The respondents were enquired about the sources through which their recruitments were made and the results are presented in Table 4.5.

TABLE 2.5

MODE OF ENTRY OF THE SAMPLE EMPLOYEES

Sl. No.	***Mode***	***No. of Respondents***	***Percentage***
1.	Direct Recruitment	739	76.66
2.	Recruitment through Union	93	9.65
3.	Compassionate ground	53	5.49
4.	Others	79	8.20
	Total	964	100

Source: Primary data

From Table 4.5 it could be inferred that direct recruitment was the most popular method prevailing in the study area through which a great majority of more than 76 per cent of the sample respondents got in to the present position. Around 10 per cent of the respondents were recruited through the influence of dominant trade unions whereas less than six per cent of the employees were under compassionate ground. Employees' direct wards recruitment through the influence of friends and relatives of the employees were categorized as 'others'. Recruitment through this source constitutes around 8 per cent of the total.

Annual income of the Sample Employees

Total annual income of an employee from various sources is an important indicator to determine his life style and standard of living. In order to study the social status of sample employees, data were collected from them, based on which classification was made and the results are presented in Table 4.6.

TABLE 2.6

INCOME LEVEL OF THE SAMPLE EMPLOYEES

Sl. No.	*Income Level*	*No. of Respondents*	*Percentage*
1.	Less than Rs.15000	164	17.01
2.	Rs.15000 –Rs.25000	368	38.17
3.	Rs..25000 – Rs.40000	179	18.57
4.	More than Rs.40000	253	26.24
	Total	964	100

Source: Primary data

From Table 4.6, it could be observed that 368 respondents constituting 38.17 per cent of the total sample size were in the income level of Rs.15,000–Rs.20,000 per annum. This is followed by 253 persons constituting 26.24 per cent represent the income group of more than Rs.40,000 per annum whereas 179 persons accounting for 18.57 per cent represent Rs.25,000–Rs.40,000 income level category. The rest of 164 sample respondents who account for 17.01 per cent had annual income of less than Rs. 15,000 only. On the whole, a majority of more than 56per cent of the sample respondents had income between Rs.15,000 and Rs. 40,000 per annum. There is little doubt that inadequate pay can have a very negative impact on both individual and organizational performance.

Method of wage paid to the Sample Employees

In order to understand the number of respondents working in each category, classification of respondents was made as those who were working in piece rate category and time rate category. This classification is important as "employee motivation is closely related to the type of rewards offered and their method of

disbursement"[1]. The method of wage payment and the proportion of the employees classified in each category are presented in Table 4.7

TABLE 2.7

METHOD OF WAGE PAID TO THE SAMPLE EMPLOYEES

Method	***No. of Employees***		***Total***
	Male	***Female***	
1. Piece Rate	253 (75)	84 (25)	337 (100)
2. Time rate	470 (67)	157 (33)	627 (100)
Total	723	241	964

Source: Primary data

Figures in parentheses are percentages to the total.

Table 4.7 shows that out of 964 respondents 337 were working under piece rate system whereas 627 under time rate system. In the case of respondents from piece rate industries, 253 persons constituting 75 per cent are males and 84 persons accounting for 25 per cent are females. Similarly, of the respondents from time rate industries, 470 persons constituting 67 per cent are males and 157 persons accounting for 33 per cent are females. Overall, more than two-third of the total respondents from each method of wage system are males. The important method of wage payment is time rate among both male and female employees.

[1] Sarma, A.M. **Understanding Wage System**, Himalaya Publication, 1988, p.7.

Periodicity of Wages Received by the Sample Employees

In order to understand the time lag between wage payments prevailing in the sample industrial units, the respondent employees were classified according to the time lag between any two wage payments and the details are presented in Table 4.8.

TABLE 2.8
PERIODICITY OF WAGE RECEIVED BY THE SAMPLE EMPLOYEES

Sl. No	Periodicity	Piece Rate		Total	Time Rate		Total
		Male	Female		Male	Female	
1.	Daily	45	10	55 (16)	24	9	33 (5)
2.	Weekly	30	10	40 (12)	56	25	81 (13)
3.	Fortnightly	20	5	25 (7)	28	8	31 (5)
4.	Monthly	158	59	217 (64)	362	115	482 (77)
	Total	253	84	337 (100)	470	157	627 (100)

Source: Primary data

Figures in parentheses are percentages to the total.

From Table 4.8 one could understand that out of the 337 employees representing piece rate system, 217covering 64 per cent received their wages once in a month and 55 employees accounting for 16 per cent daily and 40 respondents constituting 12 per cent got their wages once in a week. Only 25 respondents accounting for seven per cent were receiving their wages once in a fortnight. It is also noted further that in all these categories male respondents out numbered female respondents.

In the case of respondents working in time rate system, 482 employees constituting 77 per cent were in receipt of their wages

once in a month and of whom 362 are males and the rest female. Weekly wages were paid in respect of 81employees accounting 13 per cent respondents and daily wages to 33 employees constituting 5 per cent respondents. Only 31 respondents under this category were receiving their wages once in a fortnight. As far as the employees are concerned, they have to plan in such a way to spend heir income on the periodicity of wage payments and maintain their livelihood as most of the employees have only a single source of income.

Membership in Trade Union

Though not compulsory, all the sample respondents were the members of one or more trade unions functioning in the respective industry. Multiple memberships is a common phenomenon in the study area. Employees committed with any political ideology or stanch followers of trade union leader may confine themselves with only one union. For others, compulsion by fellow employees, fear psychosis and similar other reasons may be the root cause for membership in many number of unions at the same time. In order to understand the extent of multiple memberships in trade unions data were collected and are presented in Table 4.9

TABLE – 2.9

MULTIPLE MEMBERSHIPS OF SAMPLE EMPLOYEES IN TRADE UNIONS

No. of Employees

SL. No	Opinion	Piece Rate		Total	Time Rate		Total
		Male	Female		Male	Female	
1.	Single Union	181 (54)	10 (3)	191 (57)	270 (43)	15 (2)	285 (45)
2.	More than One Union	58 (17)	36 (11)	94 (28)	134 (21)	81 (13)	215 (34)
3.	No Membership in Union	14 (4)	38 (11)	52 (15)	66 (11)	61 (10)	127 (21)
	Total	253	84	337 (100)	470	157	627 (100)

Source: Primary data

(Figures in parentheses are percentages to the total.)

Table 4.9 reveals that a majority of 57 per cent of the piece rate employees had membership only in one union. Of whom male accounted for 54 per cent and female only 3 per cent. Among members having membership in more than one union male constitutes 17 per cent and women only 11 per cent. Fifteen per cent of the employees in piece rate industries were not at all members in any trade union.

As far as time rate employees are concerned around 21 per cent of them had no membership whereas 45 per cent had confined themselves only in one trade union. 43 per cent of male and only 2 per cent of female employees strictly attached to 'one man one

union' concept. Thirty four per cent of sample employees were members in more than one union during the period under review.

From the over all analysis around 50 per cent of employees were members in one union and 20 per cent had no membership in any trade union. The rest 30 per cent alone had had membership in more than one union.

Wage Components of the Sample Employees

The components of wage bill differ from employee to employee and from industry to industry and also from mere basic wage to a package containing basic wage, dearness allowance (DA), house rent allowance(HRA) and so on. "While the basic wages are fixed as per the workload settlement, dearness allowance paid to employees in order to enable them to face the increasing dearness of essential commodities"[2]. Wage components of sample respondents in each category are presented in Table 4.10

2. Sarma, A.M., **Understanding Wage System**, Himalaya Publication, 1988, p.88.

TABLE 2.10

WAGE COMPONENTS OF THE SAMPLE EMPLOYEES

Sl. No.	*Component*	*Piece Rate*		*Total*	*Time Rate*		*Total*
		Male	*Female*		*Male*	*Female*	
1.	Basic Wages, DA, HRA & Other Benefits	157 (47)	41 (12)	198 (59)	214 (34)	68 (11)	282 (45)
2.	Basic Wages & DA	14 (4)	5 (2)	19 (6)	33 (5)	10 (2)	43 (7)
3.	Basic Wage only	43 (13)	13 (4)	56 (17)	100 (16)	31 (5)	131 (21)
4.	Consolidated Wages	38 (11)	11 (3)	49 (14)	31 (5)	67 (11)	98 (16)
5.	Contract Wages	6 (2)	9 (2)	15 (4)	28 (4)	45 (7)	73 (11)
	Total	253	84	337 (100)	470	157	627 (100)

Source: Primary data

(Figures in parentheses are percentages to the total.)

Table 4.10 shows that of the 337 respondents from piece rate system, 198 respondents constituting 59 per cent had received their total wage package in the form of basic wages, dearness allowance (DA), house rent allowance (HRA) and other benefits out of whom 157 accounting 47 per cent are males and 41 females constituting 12 per cent. Fifty six respondents from the present category accounting for 17 pr cent were receiving basic wage only. Whereas 49 accounting for 14 per cent respondents were receiving a consolidated wage. Both male and female groups consisting of 19 respondents accounting for 6 per cent and 15 respondents constituting 4 per cent were receiving basic wages and contract wages respectively.

Under time rate category, 282 respondents out of total constituting 45 per cent had their pay pocket in the form of 'basic

wage, dearness allowance (DA), house rent allowance (HRA) and other benefits'. Among them, 214 comprising 34 per cent of total sample are males and 68 accounting 11per cent remaining females. Followed by were 98 respondents comprising 16 per cent receiving only 'consolidated wage' of whom 67 constituting 11 per cent respondents are females and 31accounting 5 per cent are males. Respondents receiving 'basic wage only' constituted 21 per cent, 'contract wage' 11 per cent and 'basic wage and dearness allowance (DA) seven per cent.

From the foregoing analysis it may be inferred that in both the systems of wage payment, respondents receiving basic wage, dearness allowance (DA), house rent allowance (HRA) and other benefits' formed part of majority of whom male respondents out numbered their female counterparts. To substantiate this point, "women employees in industries in many South Asian countries have been beset with low wages, long working hours and poor health facilities against the back drop of globalization".[3]

Wage Differentials

Wage differentials among employees of the same category, working in different industries are an important factor that disturbs the peaceful industrial relation. "Wage differentials reflect differences in physical and mental abilities of employees, in productivity and efficiency of management"[4]. In order to understand the prevalence of such factor opinion in respect of

[3] Akiko Gono, Secretary, International Textile Workers Federation, Asia – Pacific Regional Organization, The Hindu, Sunday, September 23, 2007, p.5

[4] Sarma, A.M., **Understanding Wage System**, Himalaya Publication, 1988, p.70.

awareness on prevailing wage differentials among employee respondents were sought and the details obtained are presented in Table 4 .11.

TABLE 2.11
EXISTENCE OF WAGE DIFFERENTIALS AMONG THE SAMPLE EMPLOYEES

Sl. No.	*Factor*	*Piece Rate*		*Total*	*Time Rate*		*Total*
		Male	*Female*		*Male*	*Female*	
1.	Prevailing	139 (41)	48 (14)	187 (55)	285 (45)	24 (4)	309 (49)
2.	Prevailing in Some Cases	74 (22)	18 (5)	92 (27)	141 (22)	56 (9)	197 (31)
3.	Not Prevailing	31 (10)	15 (4)	46 (14)	40 (6)	32 (5)	72 (11)
4.	No idea	9 (3)	3 (1)	12 (4)	23 (4)	26 (4)	49 (8)
	Total	253	84	337 (100)	470	157	627 (100)

Source: Primary data

Figures in parentheses are percentages to the total.

Table 4.11 shows that a substantial proportion of respondents from both the categories expressed their agreement with regard to the prevalence of wage differentials in the study area. Of whom more than 40 per cent of them are males. Twenty seven per cent of the respondents from piece rate system and thirty one per cent from the time rate system agreed that wage differentials were there in some cases. No such differential wage payment was the opinion expressed by 46 respondents under piece rate system and 72 respondents from time rate system. A slender group of less than eight per cent respondents under both these categories had no idea about this factor. It is important to note that

Papola and Subramanian(1975) found that "Skill, education and training predominantly contributed to wage differentials"[5]

Causes of Wage Differentials

An attempt was made to identify the reasons for wage differentials prevailing in the study area. Productivity, skill, nature of work, experience and the gender difference are the chief causes that individually and/or collectively contribute for wage differentials as identified by the researcher. The respondents were asked to signify only one of these causes which, according to them were the most influential one. The details are presented in Table 4.12

TABLE 2.12
CAUSES OF WAGE DIFFERENTIALS AMONG THE SAMPLE EMPLOYEES

Sl. No	*Cause*	*Piece Rate*		*Total*	*Time Rate*		*Total*
		Male	*Female*		*Male*	*Female*	
1.	Productivity	204	48	252	18	18	36
		(61)	(14)	(75)	(3)	(3)	(6)
2.	Skill	24	9	33	19	7	26
		(7)	(3)	(10)	(3)	(1)	(4)
3.	Nature	10	9	19	73	46	119
	of Work	(3)	(3)	(6)	(12)	(7)	(19)
4.	Experience	10	5	18	348	70	418
		(3)	(2)	(5)	(56)	(11)	(67)
5.	Gender	5	10	15	12	16	28
		(2)	(3)	(5)	(2)	(3)	(5)
	Total	253	84	337	470	157	627
				(100)			(100)

Source: Primary data

Figures in parentheses are percentages to the total.

[5] Sarma, A.M."Understanding Wage System', Himalaya Publication, 1988, P13.

Table 4.12 shows that productivity in the case of piece rate system and experience of the employee in the case of time rate system was the predominant cause for wage differentials in the respective system. Nearly 75 per cent of piece rate respondents indicated productivity as a major cause followed by gender difference. Whereas in the case of time rate respondents 67 per cent of the respondents experience was the major cause for wage differentials followed by 19 per cent of the respondents to whom nature of work was the main reason for wage differentials.

Association between the Profile of the Sample Employees and their Attitude on Wage Components and Differentials

The profile of the employees may be associated with their perception on wages and wage related aspects. The wage components, wage differentials and causes for wage differentials are examined among the employees. In order to find out the association between the profile of employees and their perception on the above three aspects, the chi-square analysis have been executed. The resulted chi-square value and its statistical significance is presented in Table 4.13.

TABLE 2.13
ASSOCIATION BETWEEN PROFILE OF THE SAMPLE EMPLOYEES AND THEIR VIEWS ON IMPORTANT ASPECTS

Sl. No.	*Profile Variable*	*Chi Square Values*		
		Wages Components	*Wage Differentials*	*Causes for Wage Differentials*
1.	Age	5.6842	8.1178*	9.1708*
2.	Literacy Level	10.3323*	6.3099*	6.2133
3.	Experience	8.3083*	11.3088*	9.2441*
4.	Family Size	3.1917*	2.1416*	2.8646*
5.	Mode of Recruitment	6.0818*	2.9091	7.0863*
6.	Income Level	4.1713	2.0617	6.1916*
7.	Periodicity of wage payment	6.9342*	2.9108	4.0184
8.	Membership in union	2.8191*	1.8684*	2.9199*
9.	Basis of wage rate	1.0893*	0.9694*	0.3317
10.	Sex	1.2447*	0.8086*	0.9694*

Source: Primary data

* Significant at five per cent level.

Regarding the perception on wage components, the significantly associating profile variables are age, literary level, experience, family size, mode of recruitment, periodicity of wage payment, membership in unions, basis of wage rate and sex, since the respective chi-square values are significant at five per cent level. The significantly associating profile variables with the perception on wage differentials are age, literacy level, experience, family size, membership in unions, basis of wage rate and sex. In the perception on causes for wages differentials, significant profile variables are age, experience, family size, mode of recruitment,

income level, membership in unions and sex. The analysis reveals the importance of age, experience, family size, mode of recruitment, income level, membership in unions and sex in the perception on wages and wage differentials.

Employees' Attitude on the Work Environment

The employees' attitude towards various aspects related to their working environment is most important to their perception on wages and wages administration. Hence, the present section has made an attempt on analyzing the employees' attitude towards the work environment. Even though the variables related to the work environment are too many, the present analysis confines to 25 variables which are crucially important in this context. All these twenty five variables are identified with the help of reviews and the experts in the field. The employees are asked to rate the identified twenty five variables at five point scale namely highly satisfied, satisfied, moderate, dissatisfied and highly dissatisfied. The assigned scores on these scales are 5, 4, 3, 2 and 1 respectively. In order to analyze the important variables among the male and female employees, the mean score of each variable has been computed. The't' test has been administered to find out the significant difference among the male and female employees regarding their attitude on work related variables. The resulted mean scores and their respective't' statistics are shown in Table 4.14.

TABLE 2.14

SAMPLE EMPLOYEES' ATTITUDE TOWARDS VARIOUS SITUATIONS AT THEIR WORK PLACE

Sl. No.	*Situation*	*Mean Score among Employees*		*t-Statistics*
		Male	*Female*	
1.	Settlement of industrial disputes	2.6186	3.4784	-2.2178*
2.	Implementation of Factories Act	2.4503	2.9031	-1.9973*
3.	Canteen facilities	3.0146	3.5608	-1.4503
4.	Cleanliness	2.4117	2.6896	-0.5068
5.	Standing orders implementation	2.3084	3.4671	-3.1783*
6.	ESI Act implementation	2.6993	3.1143	-2.0692*
7.	Recreation facilities	2.8608	3.2762	-1.3591
8.	Free from labor unrest ness	2.5089	2.9697	-0.8908
9.	Ventilation	3.1443	3.0673	0.3394
10.	Rest room facilities	3.6117	2.4568	2.8996*
11.	Provident funds Act implementation	2.4503	3.1778	-1.9908*
12.	Lighting	2.9144	3.0869	-0.3086
13.	Industrial Disputes Act implementation	2.5608	3.1761	-1.7082
14.	Strike	2.9197	2.5086	0.9193
15.	Shelter facilities	3.3068	2.4117	2.1144*
16.	Implementation of Workmen's' Compensation Act	2.3668	3.0964	-2.0874*
17.	Lock outs	2.4551	2.8961	-0.7336
18.	Educational Loan	2.3343	2.6808	-0.5148
19.	Payment of Wages Act implementation	2.7868	3.0144	-0.4042
20.	Working maydays	2.6061	3.5733	-2.3941
21.	Temperature	2.3443	2.7086	-0.7078
22.	Trade Union Act implementation	2.2717	2.9193	-1.9896*
23.	Transport facilities	3.1817	3.8684	-2.1708*
24.	Modern equipments	3.0443	3.9143	-2.3244*
25.	Humidity	2.6096	3.0171	-0.9344

* Source: Primary data

(Significant at five percent level)

The highly perceived variables among the male employees are rest room facilities, shelter facilities and transport facilities since the respective mean scores are 3.6117, 3.3068 and 3.1817 whereas the lesser perceived variables among the male employees are implementation of Trade Union Act, standing orders implementation and educational loan since the respective mean scores are 2.2717, 2.3084 and 2.3343. Among the female employees, the highly perceived variables are modern equipments, transport facilities and canteen facilities since its means scores are 3.9143, 3.8684 and 3.5608 respectively. The lesser perceived variables are shelter facilities, rest room facilities and strike since its mean scores are 2.4117, 2.4568 and 2.5086 respectively. The significant difference among male and female employees have been identified in the perception on settlement of industrial disputes, implementation of Factories Act, standing order implementation, Employees' State Insurance (ESI) Act implementation, rest room facilities, Provident Funds Act implementation, shelter facilities, implementation of Workmen Compensation Act, Trade Union Act implementation, transport facilities and modern equipments since respective 't' statistics are significant at five per cent level.

Important Factors in Work Environment

The important factors in work environment are narrated with the help of factor analysis. The score of the twenty five variables among the employees have been included for the analysis. Initially, the validity of data for factor analysis has been conducted with the help of Kaiser-Meyer-Ohlin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. The KMO measure is greater than the standard minimum of 0.5 whereas the significance of chi-square is at zero per cent level. The above two aspects satisfy the validity of data for factor analysis. The factor

analysis narrates the variables into four factors namely labor laws, working condition, welfare facilities and Industrial relation. The factor loading of the variables in the above said four factors, its reliability co-efficient, per cent of variation explained and the eigen values are shown in Table 4.15.

TABLE 2.15

IMPORTANT FACTORS IN THE WORK PLACE OF THE SAMPLE EMPLOYEES

Factor (Eigen Value)	***Situation***	***Factor Loading***	***Reliability Coefficient***	***Percent of variation explained***
Labour Laws (4.1924)	Implementation of Factories Act	0.8489	0.7348	21.08
	Implementation of ESI Act	0.8111		
	Implementation of Provident Act	0.7362		
	Implementation of Workman Compensation Act	0.7108		
	Implementation of Standing orders	0.6994		
	Implementation of Industrial Disputes Act	0.6517		
	Implementation of Payment of wages Act	0.6088		
	Implementation of Trade Union Act	0.5962		
Working Conditions (3.2096)	Modern Equipments	0.9108	0.7017	18.44
	Lighting	0.8334		
	Cleanliness	0.7080		
	Ventilation	0.6919		
	Temperature	0.6144		
	Humidity	0.5446		
Welfare Facilities (2.4411)	Rest Room facilities	0.9089	0.7969	16.17
	Canteen facilities	0.8304		
	Recreation facilities	0.8096		
	Transport facilities	0.7448		
	Educational loan	0.7089		
	Shelter facilities	0.6864		
Industrial Relations (1.5682)	Free from labor customers	0.8908	0.8143	14.22
	Strike	0.8114		
	Lock outs	0.7336		
	Working man days	0.6914		
	Settlement of industrial disputes	0.6403		
KMO measures of sampling adequacy: 0.7138	Bartletts' test of sphericity: Chi-square value: 108.43*			

Source: Primary data

* Significant at zero per cent level.

The narrated factors explain the variables related to work environment to the extent of 69.91 per cent. The most important factor is labor laws which consists eight variables with the reliability coefficient of 0.7348. The eigen value and the per cent of variation explained by this factor are 4.1924 and 21.08 per cent respectively. The important variables in the labor laws factor are implementation of Factories Act and ESI Act since the respective factor loading of the variables with this factor are 0.8489 and 0.8111. The second important factor narrated by the factor analysis is 'working conditions'. It consists of six variables with the reliability coefficient of 0.7017. The eigen value and the per cent of variation explained by this factor are 3.2096 and 18.44 per cent respectively.

The third important factor namely welfare facilities consists of six variables with the reliability coefficient of 0.7969. The eigen value and the per cent of variation explained by this factor is 2.4441 and 16.17 per cent respectively. The important variables in this factor are rest room facilities and canteen facilities, since its' factor loadings are identified as higher in this factor compared to other factors. The last factor identified by the factor analysis is 'Industrial Relation'. It consists of five variables with the reliability coefficient of 0.8142. The eigen value and the per cent of variation explained by this factor are 1.5682 and 14.22 per cent respectively. The important variables in this factor are free from labor unrest ness and strike since its' factor loadings in this factor are 0.8908 and 0.8114 respectively. The factor analysis results in four important factors for further analysis.

Employee's attitude on important factors

The employee's attitude on important factors has been analyzed with the help of the score on the perception on four important factors. The score of the important factors are derived from the mean score of the variables in each factor. The mean score of the perception on the important factors among the male and female employees have been computed separately. The 't' test have been administered to find out the significant difference among male and female employees regarding their perception on important factors. The score on four important factors among male and female laborers and their respective't' statistics are shown in Table 4.16.

TABLE 2.16
SAMPLE EMPLOYEES' ATTITUDE ABOUT IMPORTANT FACTORS

Sl. No.	*Attitude on Important Factors*	*Mean Score among Employees*		*t-Statistics*
		Male	*Female*	
1.	Labour Laws	2.4868	3.1086	-1.9903*
2.	Working Conditions	3.1392	3.0928	0.3496
3.	Welfare facilities	3.0517	3.0424	0.1127
4.	Industrial Relations	2.6217	3.0852	-1.9733*

Source: Primary data

(*Significant at five per cent level.)

The highly perceived important factors among the male employees are working conditions and welfare facilities since the respective mean scores are 3.1392 and 3.0517. Among the female employees, the highly perceived factors are labor laws and working conditions since its mean scores are 3.1086 and 3.0938

respectively. The significant difference among the male and female of employees have been identified regarding the perception on important factors in working conditions, namely labor laws and Industrial relations since the respective 't' statistics are significant five per cent level.

Association between profile variables and the employees' perception on important factors

The employee's perception on important factors is classified into perception on labor laws, working conditions, welfare facilities and industrial relations. The association between the profile of employees and their perception on important factors namely labor laws, working conditions, welfare facilities and industrial relations have been examined with the help of one way analysis of variance. The resulted 'F' statistics are presented in Table 4.17

TABLE 2.17
RESULT OF ONE WAY ANALYSIS OF VARIANCE

Sl. No.	*Profile Variable*	*F-Statistics*			
		Labor Laws	*Working conditions*	*Welfare facilities*	*Industrial Relations*
1.	Age	2.8684*	2.9104*	3.1144*	3.6863*
2.	Literary level	2.0671	3.1708*	2.9316*	1.9196
3.	Experience	2.5668*	1.8991	1.3442	2.4568*
4.	Family size	2.1144	2.3688	2.7081	1.9668
5.	Mode of recruitment	1.8113	2.5141	2.3686	2.2773
6.	Income level	2.4558	2.1144	3.1708*	2.1708
7.	Periodicity of wage payment	2.8173*	2.9308*	2.7337*	2.2446
8.	Membership in unions	3.1446*	2.9993*	3.4584*	3.0841*
9.	Basis of wage rate	3.9665*	4.1172*	3.9208*	4.2671*
10.	Sex	2.4568	3.9084*	2.1177	3.4608

Source: Primary data *Significant at five per cent level.

Regarding the perception on Labor laws, the significantly associating profile variables are age, experience, periodicity of wage payment, membership in unions and basis of wage rate since the respective 'F' statistics are significant at five per cent level. The significantly associating profile variables with the perception an working conditions are age, literacy level, periodicity of wage payment, membership in unions, basis of wage rate and sex. Regarding the perception on welfare facilities, the significantly associating profile variables are age, literacy level, income level, periodicity of wage payment, membership in unions and basis of wage since the respective 'F' statistics are significant at five per cent level. The significantly associating profile variables with the perception on industrial relations are age, experience, membership in unions and basis of wage rate since the respective 'F' statistics are significant at five per cent level.

Overall satisfaction towards the industry

The employees' perception on the industry have been estimated with the help of five point scale namely highly satisfied, satisfied, moderate, dissatisfied and highly dissatisfied. The employees are asked to rate their industry according to their overall satisfaction towards the industry. The distribution of employees on the basis of their overall satisfaction towards the industry is presented in Table 4.18.

TABLE 2.18

SAMPLE EMPLOYEES' OVERALL SATISFACTION TOWARDS INDUSTRY

Sl. No.	*Level of Satisfaction*	*Piece Rate*			*Time Rate*		
		Male	*Female*	*Total*	*Male*	*Female*	*Total*
1.	Highly satisfied	27	18	45 (13.35)	55	19	74 (11.80)
2.	Satisfied	47	22	69 (20.47)	72	19	91 (14.51)
3.	Moderate	81	26	107 (31.75)	203	76	279 (44.49)
4.	Dissatisfied	69	11	80 (23.74)	96	29	125 (19.93)
5.	Highly dissatisfied	29	7	36 (10.68)	44	14	58 (9.25)
	Total	253	84	337 (100.00)	470	157	627 (100.00)

Source: Primary data

*Significant at five per cent level.

Figures in parentheses are percentages to the total.

Among the employees belonging to piece rate, a maximum of 31.75 per cent of the employees are moderate in their attitude followed by dissatisfied which constitutes 23.74 per cent to the total. The most important attitude towards the industry among the male and female employees are moderate which constitutes 32.02 and 30.95 per cent to its respective total of 253 and 84 male and female employees. Among the employees belonging to time rate, the important level of satisfaction are moderate and dissatisfied which constitute 44.49 and 19.93 per cent to the total respectively. Among the male and female employees, the most important level of satisfaction is moderate which constitutes 43.19 and 48.41 per cent to its respective total.

Impact of employee's perception on various factors in work environment on their overall attitude towards industry

The overall attitude towards the industry may be influenced by so many factors. The present study has made an attempt to analyze the impact of employee's perception on various factors in work environment on their overall attitude towards the industry with the help of multiple regression analysis. The fitted regression model is

$$Y = a+b_1x_1+b_2x_2+b_3x_3+b_4x_4+e$$

Where

Y	–	Score on overall attitude towards the industry.
x_1	–	Score on the perception on Labor Laws.
x_2	–	Score on the perception on working conditions
x_3	–	Score on the perception on welfare facilities
x_4	–	Score on the perception on industrial relation
b_1, b2, b3 and b_4	–	regression coefficients of independent variables
a	–	Intercept and
e	–	Error term

The impact analysis has been applied among male, female employees and also for pooled data separately. The results are exhibited in Table 4.19.

TABLE 2.19

IMPACT OF SAMPLE EMPLOYEES' PERCEPTION ON VARIOUS FACTORS IN WORK ENVIRONMENT ON THEIR OVERALL ATTITUDE

Sl. No.	***Independent variable***	***Regression co-efficients***		
		Male	***Female***	***Pooled***
1.	Labor laws	0.1317*	0.0968	0.1134*
2.	Working conditions	0.1079	0.1443*	0.1206*
3.	Welfare facilities	0.1864*	0.1667*	0.1773*
4.	Industrial relation	0.2168*	0.1016	0.1864*
	Constant	0.8644	1.2344	0.9986
	R^2	0.7314	0.8128	0.8568
	F-statistics	11.0869*	15.9334*	17.3906*

Source: Primary data

(*Significant at five per cent level.)

The significantly influencing independent variables on the overall attitude towards the industry among male employees are perception on Labor laws, welfare facilities and industrial relation. A unit increase in the perception on the above said three factors result in an increase in overall satisfaction by 0.1317, 0.1864 and 0.2168 units respectively. A unit increase in the perception on working conditions and welfare facilities will result in an increase in overall attitude towards the industry by 0.1443 and 0.1667 units respectively among the female employees. The analysis of pooled data reveals that the perception on all factors related to work environment results in a significant increase in the overall attitude towards industry since respective regression coefficients are significant at five percent level. The changes in the perception on the four factors explain the changes in the overall attitude towards industry to the extent of 85.68 per cent.

Impact analysis among the employees belonging to piece and time rate

The impact of perception on important factors related to work environment on overall attitude towards industry among the piece and time rate employees have been examined with the help of multiple regression analysis. The fitted regression model is

$Y = a+b_1x_1+b_2x_2+b_3x_3+b_4x_4+e$

Where Y- Score an overall attitude among the employees.

x_1- Score an the perception on Labor Laws.

x_2- Score an the perception on working conditions

x_3- Score an the perception on welfare facilities

x_4- Score an the perception on industrial relation

b_1,b_2,b_3 and b_4- regression coefficient of independent variables

a- Intercept and

e- Error term

The impacts of employee's perception on factors on their overall attitude towards the industry have been analyzed among the employees belonging to piece and time rate separately and also for pooled data. The results are shown in Table-4.20.

TABLE 2.20

IMPACT OF SAMPLE EMPLOYEES' PERCEPTION ON VARIOUS ASPECTS ON THEIR OVERALL ATTITUDE

Sl. No.	*Independent variables*	*Regression co-efficient*		
		Piece Rate	*Time Rate*	*Pooled*
1.	Labor laws	0.1144	0.1349*	0.1134*
2.	Working conditions	0.0868	0.1908*	0.1206*
3.	Welfare facilities	0.2163*	0.1743*	0.1773*
4.	Industrial relation	0.1984*	0.1004*	0.1864*
	Constant	0.9694	1.1708	0.9986
	R^2	0.6864	0.7332	0.8568
	F-statistics	9.3303*	12.8963*	17.3906*

Source: Primary data

*Significant at five per cent level.

The significantly influencing perception on work environment factors on the overall attitude towards the industry among the piece rate employees are perception on welfare facilities and industrial relation since the respective regression coefficients are 0.2163 and 0.1984 which are significant at five per cent level. Among the time rate employees, the significantly influencing independent variables are perception on Labor laws, working conditions and welfare facilities. A unit increase in the perception on Labor Laws, working conditions and welfare facilities results in an increase in overall attitude towards industry by 0.1349, 0.1908 and 0.1743 units respectively.

Employees' attitude towards wage administration

The wages administration in the industry has been examined among the employees. The employee's attitude towards wages administration in the industry is analyzed to carryout the employees' view on wage administration in their industry. Even though, the variables related to wages administration are too many, the present study confines the variables to basic pay, Ex-gratia, deduction for any advances, traveling allowance, deduction for fine, deduction for insurance premium, dearness allowance, incentives, deduction for any damage or loss, housing rent allowance, overtime wages, deduction for absence from duty, salary advances, city compensatory allowance, productivity linked wages and prompt payment. The employees are asked to rate the above said sixteen variables at five point scale from highly satisfied to highly dissatisfied. The assigned marks on these scales are from 5 to 1 respectively. The mean score of each aspects in wage administration have been calculated to exhibit the employee's perception on these aspects. The't' test have been used to analyze

the significant difference among male and employees regarding their perception on the various aspects in wage administration. The results are shown in table 4.21

TABLE 2.21
SAMPLE EMPLOYEES' ATTITUDES TOWARDS
WAGE ADMINISTRATION

Sl. No.	*Aspects in wages and administration*	*Mean score*		*t-statistics*
		Male	*Female*	
1.	Basic pay	2.4548	3.6803	–2.9968*
2.	Ex-gratia	2.6711	2.8111	–0.4043
3.	Deduction for any advances	3.0893	3.0661	0.1092
4.	Traveling allowance	2.4546	2.9691	–1.3086
5.	Deduction for fine	2.3994	2.8485	–1.5424
6.	Deduction for insurance premium	3.1173	3.6508	–1.7381
7.	Dearness allowance	2.9194	2.8684	0.2143
8.	Incentives	2.5606	3.7173	–2.3517*
9.	Deduction for any damage or loss	2.4517	3.2344	–2.0869
10.	Housing rent allowance	2.6673	3.5108	–2.1144*
11.	Overtime wages	2.5084	3.2114	–2.0743*
12.	Deduction for absence from duty	2.6864	3.6193	–3.1123*
13.	Salary advances	3.0817	2.5086	–1.9703*
14.	City compensatory allowance	3.1221	3.0667	0.2664
15.	Productivity linked wages	2.3084	2.9168	–1.9817*
16.	Prompt payment	2.5617	3.1716	–1.7181

Source: Primary data

*Significant at five per cent level.

The highly perceived aspects in wage administration among the male employees are city compensatory allowance, deduction for insurance premium and deduction for any advances since the respective mean scores are 3.1221, 3.1173 and 3.0893. The lesser perceived aspects in wage administration among the male employees are productivity linked wages, deduction for any damage or loss and traveling allowance since the respective mean scores are the highly perceived aspects in wage administration are incentives basic pay and deduction for insurance premium since the respective mean scores are 3.7173, 3.6803 and 3.6503 whereas the lesser perceived variables for female are salary advances, ex-gratia and deduction for fine since the respective mean scores are 2.5086, 2.8111 and 2.8485. Regarding the perception on wage administration, the significant difference among the male and female employees have been identified in the case of perception on basic pay, incentives, deduction for any damage or loss, housing rent allowance, overtime wages, deduction for absence from duty, salary advances and productivity linked wages since the respective 't' statistics are significant at five percent level.

Important aspects in wage administration

The important aspects in wage administration are derived from the score of the variables involved in wage administration. The factor analysis has been executed to narrate the aspects in wage administration to important aspects in the same. The validity of data for factor analysis is tested through KMO measure 0.7314 and Chi-Square 89.3908 satisfies the validity of data for factor analysis. The factor analysis results in four important factors namely wages, allowance, incentives and deduction. The narrated important aspects or factors in wage administration explain the

variables in wage administration to the extent of 64.83 per cent. The factor loading of the variables in wage administration with the factors in wage administration, its reliability coefficient, eigen value and the percent of variation explained by the factors are shown in Table 4.22.

TABLE 2.22
FACTOR LOADING OF THE ASPECTS IN WAGE ADMINISTRATION

Factor (Eigen value)	***Aspects in wage administration***	***Factor Loading***	***Reliability Co-efficient***	***Per Cent of variation explained***
Wages (3.9802)	Basic pay Dearness allowance Overtime wages Prompt payment	0.9133 0.8644 0.7101 0.6246	0.7808	22.07
Allowance (2.5179)	Salary advances Traveling allowance Housing rent allowance City compensatory advance	0.8648 0.8133 0.7308 0.6961	0.7026	16.84
Incentives (1.8044)	Ex-gratia Incentives Productivity linked borrowers	0.8402 0.7317 0.6506	0.7744	14.03
Deduction (1.2133)	Deduction for fine Deduction for absence from duty Deduction for any damage Deduction for insurance premium Deduction for any advances	0.9144 0.8017 0.7224 0.6506 0.5942	0.7375	11.89
KMO measure of sampling adequacy: 0.7314		Bartlett's test of sphericity: Chi-square value: 89.3908*		

Source: Primary data

*Significant at zero per cent level.

The most important factor narrated by the factor analysis is 'wages'. It consists of four variables with the reliability of 0.7808. The eigen value and the per cent of variation explained by the factor are 3.9802 and 22.07 per cent respectively. The important aspects in wage factor are basic pay and dearness allowance since the respective factor loadings are 0.9133 and 0.8644. The next factor namely allowance consists of four aspects in wage administration with the reliability coefficient of 0.7026. The eigen value and the per cent of variation explained by this factor are 2.5179 and 16.84 per cent respectively. The important aspects in allowance factor are salary advances and traveling allowances since the respective factor loadings are 0.8648 and 0.8133.

The third factor narrated by the factor analysis is 'incentives'. It consists of three aspects in wages administration with the reliability coefficient of 0.7744. The eigen value and the per cent of variation explained by this factor are 1.8044 and 14.03 per cent respectively. The most important variable in this factor is ex-gratia since the respective factor loading is 0.8402. The last factor narrated by the factor analysis is 'deduction' which consists of five aspects with the reliability coefficient of 0.7378. The eigen value and the per cent of variation explained by this factor are 1.2133 and 11.89 per cent respectively. The important aspects in deduction factor are deduction for fine and absence from duty since the respective factor loadings are 0.9144 and 0.8017. The factor analysis results in four important factors namely wages, allowance, incentives and deduction for further analysis.

Employees' attitude on factors related to wage administration

The employees' attitude on factors related to wage administration is derived from the mean score of attitude towards various aspects involved in each factor. The mean score on each factor has been computed among the male and female employees separately in order to show the level of perception on the factors related to wage administration. The't' test has been administrated to find out the significant difference among the male and female employees regarding their level of perception on factors involved in wages administration. The results are shown in Table 4.23.

TABLE 2.23
SAMPLE EMPLOYEES' ATTITUDE ON THE FACTORS RELATED TO WAGE ADMINISTRATION

Sl. No.	*Factor in wage administration*	*Mean Score among employees*		*t-Statistics*
		Male	*Female*	
1.	Wages	2.6111	3.2329	–2.0768*
2.	Allowances	2.8314	3.0138	–2.9163*
3.	Incentives	2.5134	3.1484	–1.9708*
4.	Deduction	2.7488	3.2838	–1.9811

Source: Primary data

*Significant at five per cent level.

The highly perceived factors related to wage administration among the male employees are allowances and deduction since its mean scores are 2.8314 and 2.7488 respectively whereas among the female employees, these two are deduction and wages since its mean scores are 3.2838 and 3.2329 respectively. Regarding the perception on factors related to wage administration, the significant difference among male and female employees are

identified in the case of wages, allowances and incentives since the respective't' statistics are significant at five per cent level. In total, the female employees perceive more an all factors related to wage administration compared to male employees.

Association between profile of employees and their perception on various factors related to wage administration.

The profile of the employees may have its own impact on the perception on four identified factors related to wage administration. In order to analyze the association between the profile of employees and their perception on factors related to wage administration, the one way analysis of variance have been administered. The resulted 'F' statistics are presented in Table 4.24.

TABLE 2.24

ASSOCIATION BETWEEN PROFILE OF SAMPLE EMPLOYEES' AND THEIR PERCEPTION ON FACTORS IN WAGE ADMINISTRATION

Sl. No.	*Profile Variables*	*F-Statistics*			
		Wages	*Allowance*	*Incentives*	*Deduction*
1.	Age	2.1132	2.4538*	2.7182*	2.0644
2.	Literary level	2.4578	3.1176*	3.1408*	1.1783
3.	Experience	2.8644*	2.1108	2.6843*	2.0864
4.	Family size	1.9338	2.0894	2.8681	3.1148*
5.	Mode of recruitment	2.3443	2.8186*	1.4468	2.5108
6.	Income level	2.4563	2.7178*	2.6464*	2.2304
7.	Periodicity of wage payment	2.7184*	3.1406*	3.2676*	1.1883
8.	Membership in unions	3.1786*	3.2681*	3.0891*	3.3141*
9.	Basis of wage rate	3.8904*	3.9112*	2.8646	2.7178
10.	Sex	3.9086*	3.8901*	3.9963*	3.0411

Source: Primary data

*Significant at five per cent level.

Regarding the perception on 'wages' factor, the significantly associating profile variables are literacy level, experience, periodicity of wage payment, membership in unions, basis of wage rates and sex since the respective 'F' statistics is significant at five per cent level. The significantly associating profile variables with the perception on allowances are age, mode of recruitment, income level, periodicity of wage payment, membership in unions, basis of wage rates and sex. Regarding the perception on incentives, the significantly associating profile variables are age, literacy level, experience, income level, periodicity of wage payment, membership in unions and sex. Whereas the significantly associating profile variables with the perception on deduction are family size and membership in unions since the respective 'F' statistics is significant at five per cent level.

Impact of perception on wage administration factors on overall attitude towards industry

The perception on industry may be influenced by the perception on four factors in wage administration. In order to examine the impact of perception on four factors in wage administration on the overall attitude towards the industry, the multiple regression analysis has been executed. The fitted regression model is

$Y = a+b_1x_1+b_2x_2+b_3x_3+b_4x_4+e$

Where Y- Score on overall attitude towards the industry.

x_1- Score on the perception on wages

x_2- Score on the perception on allowances

x_3- Score on the perception on incentives

x_4- Score on the perception on deduction

b_1, b2, b3 and b_4- regression coefficients of independent variables

a - Intercept and

e- Error term

The impact has been analyzed among male, female employees and also for pooled data. The resulted regression coefficients of the independent variables are illustrated in Table 4.25.

TABLE 2.25
IMPACT OF SAMPLE EMPLOYEES' PERCEPTION FACTORS IN WAGE ADMINISTRATION ON OVERALL ATTITUDE

Sl. No.	*Factor in wage administration*	*Regression co-efficients*		
		Male	*Female*	*Pooled*
1.	Wages	0.2468*	0.1043	0.1349*
2.	Allowances	0.1144	0.0968	0.1033
3.	Incentives	0.1086	1.447*	0.1296*
4.	Deduction	0.1703*	0.1969*	0.1808*
	Constant	1.3343	1.8604	1.5144
	R^2	0.7089	0.7336	0.7863
	F-statistics	8.1108*	10.0991*	12.1700*

Source: Primary data

*Significant at five per cent level.

The significantly influencing perception factors on the overall attitude towards industry among male employees are wages and deduction. A unit increase in the perception on wages and deduction will result in an increase in overall attitude by 0.2468 and 0.1703 units respectively. Among the female employees, the significantly influencing independent variables are incentives and deduction. The analysis of pooled data reveals that a unit increase in the perception on wages, incentives and deduction will result in an increase in overall attitude towards the industry by 0.1549, 0.1296 and 0.1808 units respectively. The changes in the

perception on factors related to wage administration explain the changes in overall attitude towards the industry to the extent of 78.63 per cent.

Impact of perception in wage administration on the overall attitude towards industry

The employees are classified into piece rate and time rate employees. Since there is a higher difference in the perception and expectation of these two groups of employees, the present study has made an attempt on analyzing the impact of perception in wage administration on the overall attitude towards industry. The multiple regression analysis has been administered to analyze such impact. The fitted regression model is

$Y = a+b_1x_1+b_2x_2+b_3x_3+b_4x_4+e$

Where Y- Score on overall attitude among the employees

x_1- Score on the perception on wages.

x_2- Score on the perception on allowances

x_3- Score on the perception on incentives

x_4- Score on the perception on deduction

b_1, b2, b3 and b_4- regression coefficients of independent variables

a - Intercept and

e- Error term

The impact has been analyzed among the employees belonging to piece rate, time rate and also for pooled data. The resulted regression coefficients are summarized in Table 4.26.

TABLE 2.26

IMPACT OF SAMPLE EMPLOYEES' PERCEPTION ON WAGE ADMINISTRATION ON OVERALL ATTITUDE

Sl. No.	***Factor***	***Regression co-efficient***		
		Piece Rate	***Time Rate***	***Pooled***
1.	Wages	0.0943	0.1868*	0.1549*
2.	Allowances	0.1126	0.2144*	0.1033*
3.	Incentives	0.2468*	0.1023	0.1296*
4.	Deduction	0.1833*	0.1144	0.1808*
	Constant	0.9698	1.2168	1.5144
	R^2	0.7317	0.8144	0.7863
	F-statistics	9.3682*	14.2346*	12.1708*

Source: Primary data

(*Significant at five per cent level.)

Among the piece rate employees, the significantly influencing independent variables on the overall attitude towards industry are incentives and deduction. A unit increase in the perception on incentives and deduction result in an increase in the employees overall attitude by 0.2468 and 0.1833 units respectively. Among the time rate employees, the significantly influencing independent variables are the perception of wages and allowances. The analysis of pooled data reveals that a unit increase in the perception on wages, allowances, incentives and deduction result in an increase in employees' overall attitude towards industry by 0.1549 0.1033, 0.1296 and 0.1808 units respectively. The changes in the perception on factors related to wage administration explain the changes in overall attitude to the extent of 78.63 per cent.

Attitude Index on Wage Administration (AIWA)

The attitude Index on wage administration is the summative view on the perception on all four factors in the wage administration. It is computed by

$$AIWA = \frac{\sum_{i=1}^{n} SVWA_i}{\sum_{i=1}^{n} MSVWA_i} \times 100$$

Where SVWA- Score of variables related to wage administration

MSVWA- Maximum score of variables related to wage administration.

The AIWA in the present study is confined to less than 21 per cent, 21 to 40, 41 to 60, and 61 to 80 and above 80 per cent. The distribution of employees on the basis of the AIWA is given in Table 4.27.

TABLE 2.27

ATTITUDE INDEX ON WAGE ADMINISTRATION (AIWA)

Sl. No.	*AIWA (in per cent)*	*Piece Rate*			*Time Rate*		
		Male	*Female*	*Total*	*Male*	*Female*	*Total*
1.	Less than 21	22	7	29 (8.60)	54	30	84 (13.39)
2.	21–40	123	20	143 (42.43)	109	38	147 (23.44)
3.	41–60	82	32	114 (33.83)	194	46	240 (38.27)
4.	61–80	18	19	37 (10.97)	76	32	108 (17.22)
5.	Above 80	8	6	14 (4.15)	37	11	48 (7.65)
	Total	253	84	337 (100.00)	470	157	627 (100.00)

Source: Primary data

Figures in parentheses are percentages to the total.

Among the piece rate employees, the important AIWA are 21 to 40 per cent and 41 to 60 per cent which constitute 42.43 and 33.83 per cent to the total respectively. Among the male employees the most important AIWA is 21 to 40 per cent whereas among the female employees, it is 41 to 60 per cent. Regarding the piece rate employees, the important AIWA is 41 to 60 and 21 to 40 per cent which constitute 38.27 and 23.44 per cent to its total respectively. Among the male and female employees under time rate, the most important AIWA is 41 to 60 per cent which constitute 41.27 and 29.29 per cent to its respective total of 470 and 157 employees. The moderate attitude towards wage administration has been identified among the employees.

Discriminate perception on related factors among male and female Employees

By the perception on work related factors, the male and female employees may differ from each other since their level of expectation and perception on work related factors are different. It is highly imperative to understand the important discriminant work related factors among male and female employees for some policy implication. The two group discriminant analysis has been executed. Initially, the mean difference in each factor among the two groups and the respective Wilks Lambda has been computed and shown in Table 4.28.

TABLE 2.28
DISCRIMINANT PERCEPTION AMONG MALE AND FEMALE SAMPLE EMPLOYEES

Sl. No.	*Factor*	*Mean score*		*Mean Difference*	*'t'- Statistics*	*Wilks Lambda*
		Male	*Female*			
1.	Labour laws	2.4868	3.1086	–0.6218	–1.9903*	0.2345
2.	Working conditions	3.1392	3.0938	0.0454	0.3496	0.6493
3.	Welfare facilities	3.0517	3.0424	0.0093	0.1127	0.5173
4.	Industrial relation	2.6217	3.0852	–0.4635	–1.9733*	0.1462
5.	AIWA	44.689	51.624	–6.935	–2.0342*	0.3694

Source: Primary data

*Significant at five per cent level.

A significant mean difference among the male and female employees has been identified in the perception on labor laws, Industrial relation and attitude Index on work administration since the respective mean difference is significant at five per cent level. The higher mean differences are identified in the case of AIWA and Labor Laws since the respective mean differences are –6.935 and –0.6218. The higher discriminant power of the factors is identified in the case of perception on industrial relation and labor laws since the respective Wilk's Lambda are 0.1462 and 0.2345.

The significant factors namely labour laws, industrial relation and AIWA have been included to establish the two group discriminant function. The unstandardised procedure has been followed to establish such function. The established function is

$Z = -1.4142 - 0.258x_1 - 0.6869x_4 - 0.0457x_5$

The relative contribution of the discriminant factor in total discriminant score is computed by the product of unstandardised

canonical discriminant coefficient and the respective mean of the discriminant factors. The resulted contribution of the discriminant factors is total discriminant score is given in Table 4.29.

TABLE 2.29
RELATIVE CONTRIBUTION OF FACTORS IN TOTAL DISCRIMINANT SCORE

Sl. No.	*Factor*	*Canonical Discriminant Co-efficient*	*Mean Difference*	*Product*	*Relative contribution in total discriminant score*
1.	Labor laws	–0.2508	–0.6218	0.1559	19.70
2.	Industrial relations	–0.6869	–0.4635	0.3184	40.25
3.	AIWA	–0.0457	–6.935	0.3169	40.05
	Total			0.7912	100.00

Source: Primary data

Per cent of cases correctly classified: 69.39.

The higher discriminant coefficient is noticed in the case of industrial relation since its canonical discriminant coefficient is –0.6869. It infers that the perception on industrial relation factor influence more in the discriminant function. The higher relative contribution of the discriminant factors in total discriminant score is identified in the case of industrial relation and AIWA since its percentages are 40.25 and 40.05 to the total respectively. The analysis reveals that the important discriminant factors among the male and female employees regarding the perception on work factors and wage administration are perception on industrial relations and attitude index on wage administration. The established discriminant function correctly classifies the male and female employees to the extent of 69.39 per cent.

Discriminate perception on work related factors among piece and time rate employees

The piece rate and time rate employees are basically different from each other. Their expectations and perceptions on the wages, wage administration, work and work related factors are also different. In order to satisfy the two segments of employees, it is highly essential to understand the discriminate factors among the two groups regarding their perception for some policy implications. The two group discriminant analysis has been executed to identify the important discriminate factors. Initially, the mean difference in each factors and its respective discriminant power have been computed. The results are given in Table 4.30.

TABLE 2.30
DISCRIMINANT PERCEPTION AMONG SAMPLE EMPLOYEES BELONGING TO PIECE RATE AND TIME RATE

Sl. No	*Factor*	*Mean score*		*Mean Difference*	*t-Statistics*	*Wilks Lambda*
		Piece Rate	*Time Rate*			
1.	Labor laws	3.0673	2.2473	0.8200	2.4178*	0.1861
2.	Working conditions	3.8143	3.11555	0.6988	2.0917*	0.2464
3.	Welfare facilities	3.2155	2.9504	0.2651	0.6817	0.5767
4.	Industrial relation	2.4087	3.2568	–0.8481	–2.5644*	0.1342
5.	AIWA	48.1743	53.8904	–5.7161	–2.9933*	0.3565

Source: Primary data

*Significant at five per cent level.

The significant mean difference is noticed in the case of labor laws, working conditions, industrial relations and AIWA since the respective mean differences are significant at five per cent level. A higher mean difference is noticed in the case of perception on industrial relation and labor laws. The higher

discriminant power is noticed in the case of perception on industrial relation and labor laws since its Wilks Lambda coefficients are 0.1342 and 0.1861 respectively. The significant factors are included to establish the discriminant function. The unstandardised procedure has been followed to establish such function. The established function is:

$$Z=0.8682+0.2868x_1+0.1933x_2-0.2906x_4-0.0368x_5$$

The relative contributions of discriminant factors in total discriminant score is computed by the product of unstandardised discriminant coefficient and the respective mean difference of the factors. The resulted unstandardised discriminant coefficient and the respective relative contribution in total discriminant score are illustrated in Table 4.31.

TABLE 2.31
RELATIVE IMPORTANCE OF DISCRIMINANT FACTORS IN TOTAL DISCRIMINANT SCORE

Sl. No.	***Factor***	***Unstandardized Canonical Discriminant Function***	***Mean Difference***	***Product***	***Relative contribution in total discriminant score***
1.	Labour laws	0.2868	0.8200	0.2352	28.43
2.	Working conditions	0.1933	0.6988	0.1351	16.33
3.	Industrial relation	–0.2906	–0.8481	0.2465	29.79
4.	AIWA	–0.0368	–5.7161	0.2104	25.45
	Total			0.8272	100.00

Source: Primary data Per cent of cases correctly classified: 72.34

The higher discriminant coefficient is noticed in the case of labor laws since its coefficient is 0.2868. It reveals that the degree of influence of perception on labor laws is higher in the discriminate function. The higher relative contribution of the

factors is identified among the factors namely Industrial relation and labor laws since the respective relative contributions in total discriminant scores are 29.79 and 28.43 per cent respectively. The estimated discriminant function correctly classify the cases to the extent of 72.34 per cent. The analysis identify the perception on labor laws, industrial relations and AIWA are the important discriminant factors among the piece rate and time rate employees.

Causes of Disputes

Disputes between the employers and employees are bound to occur in almost all industries notwithstanding the level of growth and maturity. Even a petty incident may fire up resulting in large scale misunderstanding and industrial unrest. However, most of the study of industrial relations indicated the main reasons for industrial dispute or money related matters. An attempt to study the causes of industrial disputes that were erupted earlier yeas. Opinions in this respect were collected from the respondents and presented in Table 4.32.

TABLE 2.32

SAMPLE EMPLOYEES AND CAUSES OF DISPUTES

Sl. No	*Cause*	*Piece Rate*		*Total*	*Time Rate*		*Total*
		Male	*Female*		*Male*	*Female*	
1.	Wages and allowances	79 (23)	22 (6)	101 (29)	112 (18)	78 (12)	190 (30)
2.	Bonus	42 (12)	30 (9)	72 (21)	265 (42)	36 (6)	301 (48)
3.	Personnel	33 (10)	19 (6)	52 (16)	48 (8)	29 (5)	77 (12)
4.	Retrenchment	14 (4)	5 (1)	19 (5)	9 (1)	5 (1)	14 (2)
5.	Hours of work	12 (4)	3 (1)	15 (5)	3 (1)	2 (1)	5 (2)
6.	Indiscipline	61 (18)	2 (1)	63 (19)	28 (4)	5 (1)	33 (5)
7.	Others	12 (4)	3 (1)	15 (5)	5 (1)	2 (1)	7 (2)
	Total	253	84	337 (100)	470	157	627 (100)

Source: Primary data

(Figures in parentheses are percentages to the total.)

From Table 4.32 it is understood that in the case of piece rate industries 'wages and allowances' was the chief cause followed by bonus as expressed by 29 per cent and 21 per cent of the respondents respectively. Indiscipline was the third important cause followed by personnel for 19 per cent and 16 per cent employees respectively. Hours of work and others matters were the least two causes.

In respect of time rate industries bonus was the chief cause for industrial disputes for 48 per cent of the employees which has followed by wage and other allowances accounting for 30 per cent, personnel constituting 12 per cent and indiscipline consisting of 5 per cent. Here also the hours of work and other matters were the least important causes for dispute in the study area.

Settlement of Disputes

There are many formal and informal methods of settling the disputes in industries taken for the study. During survey it was noticed that no single dispute remained unsolved for a long period. The management, labor unions, and government mechanisms take appropriate measures to settle the issues as and when they arise. In the present study, the methods of settlement of disputes in the industries are confined to negotiation, conciliations, arbitration, labor court and unsolved. The employees are asked to mention the methods adopted by their industry to settle the disputes. Since the multiple responses are allowed, the number of employees under different categories mentioning the above said methods is shown in Table 4.33.

TABLE 2.33
SAMPLE EMPLOYEES AND METHOD OF SETTLEMENT OF DISPUTES

(Mean Score Per Cent)

Sl. No	*Causes*	*Piece Rate*		*Time Rate*		*Total*
		Male	*Female*	*Male*	*Female*	
1.	Negotiation	192	75	354	125	746 (77.38)
2.	Conciliation	166	59	333	109	667 (69.19)
3.	Arbitration	152	55	299	95	601 (62.34)
4.	Labor court	77	17	227	47	368 (38.17)
5.	Unsolved	64	41	142	82	329 (34.12)
	Number of Observation	253	84	470	157	964 (100.00)

Source: Primary data

Figures in parentheses are percentages to the total.

The important methods of settlement of disputes among the employees are negotiation and conciliation since they constitute 77.38 and 69.19 per cent to the total respectively. Among the male employees, the most important method of settlement of disputes is negotiation since it constitutes 75.52 per cent to its total of 723 male employees. Among the female employees, it is also negotiation which constitutes 82.98 per cent to the total of 241 female employees. Among the piece rate and time rate employees, the important method of settlement of disputes is negotiation which constitutes 79.23 and 76.39 per cent to the total number of employees belonging to piece rate and time rate.

Factors influencing Labor-Management Relations

The labor-management relations is one of the important factors which leads to industrial peace and also productivity. The understanding between the two parties is highly essential for the achievement of industries goals. Hence, the management should know about the perception on various aspects of labor-management relations among the employees. Even though the variables related to labor –management relations are too many, the present study confines variables to wage related issues, work load, fringe benefits, promotion, grievance redressed, trade unionism, worker's education, counseling, safety and job security, welfare provisions, motivation and appreciation, compensation, work spot arrangement, labour policy, political climate, price index, non-participative management and poor recognition. The employees were asked to rate the above said 18 variables at five point scale from 'highly agree' to 'highly disagree' regarding its importance in labor-management relations. The assigned marks on these scales are from 5 to 1 respectively. The mean score of each variable has

been computed among the male and female employees separately. The't' test has been administered to find out the significant difference among the male and female employees regarding their importance given on variables influencing labor-management relations. The results are exhibited in Table 4.34.

TABLE 2.34
VARIABLES INFLUENCING LABOUR-MANAGEMENT RELATIONS

Sl. No.	*Variable*	*Mean score*		*t-statistics*
		Male	*Female*	
1.	Wage related issues	3.7848	3.3641	1.2788
2.	Work load	3.2491	3.4147	–0.8681
3.	Fringe benefits	2.7896	3.0763	–0.4526
4.	Promotion	3.1708	2.3814	2.2384*
5.	Grievance redressed	3.3391	2.5608	2.5079*
6.	Trade unionism	3.6974	2.5117	2.7964*
7.	Employees' education	3.0217	3.2719	–0.4978
8.	Counseling	3.2296	3.4508	–0.3407
9.	Safety and job security	3.7083	3.0699	2.9442*
10.	Welfare provisions	3.1848	3.3888	–0.3494
11.	Motivation and appreciation	2.9697	2.9994	–0.1702
12.	Compensation	3.0464	2.8173	0.4171
13.	Work spot arrangement	3.2672	3.0146	0.4302
14.	Labor policy	3.7024	2.9408	2.7673*
15.	Political climate	3.7446	2.9961	2.3403*
16.	Price Index	3.5083	2.6164	2.5164*
17.	Non-participative management	3.4942	2.7079	1.9968*
18.	Poor recognition	3.3144	2.8187	1.0865

Source: Primary data

*Significant at five per cent level.

The highly viewed variables among the male employees are wage related issues, political climate, safety and job security since the respective mean scores are 3.7848, 3.7446 and 3.7083. The lesser viewed variables among them are fringe benefits, motivation and appreciation since its mean scores are 2.7896 and 2.9697 respectively. Among the female employees, the highly viewed variables are counseling, work load and welfare provisions since its mean scores are 3.4508, 3.4147, 3.3888 respectively. The lesser viewed variables among them are trade unionism and grievance redressed since its mean scores are 2.5117 and 2.5608. Regarding the perception on the variables leading to labor-management relations, the significant mean difference among the male and female employees is identified in the perception on promotion, grievance redressed, trade unionism, safety and security, labor policy, political climate, price index and non-participative management since the respective 't' statistics are significant at five per cent level.

Important factors leading to Labor-management relations

In order to identify the important factors leadings to labor-management relations in the industry, the scores on perception on variables among the employees have been taken into account for factor analysis. Initially, the data validity for factor analysis is conducted with the help of KMO measure of sampling adequacy and Banklett's test of sphericity. The above two measures satisfy the conditions of validity of data for factor analysis since the KMO measure is greater than 0.5 and the level of significance of Chi-square value is at Zero per cent level. The factor analysis has been executed to narrate the variables. It results in five important factors namely finance, work content, psychology, collective

bargaining and management. The factor loading of the variables in each factor, its reliability coefficient and the per cent of variation explained are summarized in Table 4.35.

TABLE 2.35
IMPORTANT FACTORS INFLUENCING LABOR-MANAGEMENT RELATIONS

Factor (Eigen value)	***Variable***	***Factor Loading***	***Reliability Co-efficient***	***Per Cent of variation explained***
Finance	Wage related issues	0.8738	0.7934	21.09
(3.9911)	Compensation	0.8144		
	Fringe benefits	0.7533		
	Welfare provisions	0.7021		
	Price Index	0.6549		
Work content	Promotion	0.9244	0.8433	18.43
(2.9096)	Work load	0.8019		
	Safety and job security	0.7144		
	Work spot arrangement	0.7022		
	Employees education	0.6424		
Psychology	Motivation and appreciation	0.8684	0.7249	15.91
(2.3431)	Counseling	0.7339		
	Poor recognition	0.7124		
Collective Bargaining	Trade unionism	0.9129	0.7844	13.08
(1.8617)	Grievance redressed	0.8081		
	Political climate	0.7434		
Management	Non-participative management	0.8187	0.8133	10.73
(1.0446)	Labor policy	0.7443		
KMO measure of sampling adequacy: 0.8632		Bartlett's test of sphericity: 79.24 Chi-square value: 109.34*		

Source: Primary data

*Significant at zero per cent level.

The narrated five factors which explain the variables leading to labor-management relation to the extent of 79.24 per cent. The most important factor identified by the factor analysis is 'finance' factor. It consists of five variables with the reliability coefficient of 0.7934. The eigen value and the percent of variation explained by this factor are 3.9911 and 21.09 per cent respectively. The important variables in the finance factor are wage related issues and compensation since its factor loadings are higher as 0.8738 and 0.8144 respectively. The second important factor narrated by the factor analysis is work content. It consists of five variables with the reliability coefficient of 0.8433. The eigen value and the per cent of variation explained are 2.9096 and 18.43 per cent respectively. The important variables in this factor are promotion and work load since its factor loadings are 0.9244 and 0.8019 respectively.

The third and fourth important factors identified by the factor analysis are psychology and collective bargaining. The psychology and collective bargaining factors consists of three each variables with the reliability coefficient of 0.7249 and 0.7844 respectively. The eigen value of these two factors are 2.3431 and 1.8617 respectively. The percent of variation explained by these two factors are 15.91 and 13.08 per cent respectively. The last factor identified by the factor analysis is 'management'. It consists of two variables with the reliability coefficient of 0.8133. The eigen value and the per cent of variation explained are 1.0446 and 10.73 per cent respectively. The factor analysis results in five important factors leading to labor- management relations for further analysis.

Employee's perception factors leading to Labor-Management Relations

The employee's perception on factors leading to labor-management relation is examined with the help of the perception on the important factors related to labor-management relations. The score on the important factors is derived from the mean score of the variables involved in each factor related to labor – management relations. In order to analyze the significant difference among the male and female employees regarding their perception on important factors related to labor-management relations, the 't'-test has been administered. The results are shown in Table 4.36.

TABLE 2.36
SAMPLE EMPLOYEES' PERCEPTION ON IMPORTANT FACTORS INFLUENCING LABOUR-MANAGEMENT RELATION (LMR)

Sl. No.	*Factor*	*Mean score*		*t-statistics*
		Male	*Female*	
1.	Finance	3.0628	3.6526	–1.9804*
2.	Work content	2.7634	3.4305	–1.9977*
3.	Psychology	3.1712	3.0896	0.2197
4.	Collective bargaining	3.5937	2.6895	2.1816*
5.	Management	3.5983	2.8244	2.0914*

Source: Primary data

*Significant at five per cent level.

The highly perceived factors leading to labor-management relations among the male employees are management and collective bargaining since the respective mean scores are 3.5983 and 3.5937. Among the female employees, the two factors are finance and work content since the respective mean scores are

3.6526 and 3.4305 respectively. Regarding the perception on the factors leading to labor-management relations, the significant difference among the male and female employees has been noticed in the case of perception on finance, work content, collective bargaining and management since the respective't' statistics are significant at five per cent level.

Association between Profile of Employees and their Perception on Factors

Since, the profile of the employees may be associated with the perception on factors leading to labor-management relations the present study has made an attempt to analyze the association between the two variables. The included profile variables are age, literacy level, experience, family size, mode of recruitment, income level, periodicity of wage payment, membership in unions, basis of wage rates and sex. The one way analysis of variance has been administered to analyze such associations. The resulted 'F' statistics is exhibited in Table 4.37.

TABLE 2.37
RESULT OF ONE WAY ANOVA

Sl. No.	*Profile Variable*	*F-Statistics*				
		Finance	*Work Content*	*Psychology*	*Collective Bargaining*	*Management*
1.	Age	2.5143*	2.6082*	3.1144*	1.8084	2.1089
2.	Literary level	2.6084*	1.8944	2.8189*	2.6187*	2.4507*
3.	Experience	2.5249*	2.6197*	1.8844	2.0334	2.5193*
4.	Family size	1.8988	2.0334	1.4543	2.2114	1.9308
5.	Mode of recruitment	2.1317	1.9384	2.0792	2.2917	2.4033
6.	Income level	2.7168*	2.9342*	3.1143*	2.6843*	1.8948
7.	Periodicity of wage payment	1.4433	2.3308	2.8249*	1.8917	2.2114
8.	Membership in unions	2.9917*	2.9204*	3.0418*	2.9508*	2.9711*
9.	Basis of wage rate	3.9093*	1.8417	2.0893	3.8507*	1.9337
10.	Sex	1.8334	2.5043	2.7943	3.1142	3.6573

Source: Primary data *Significant at five per cent level.

Regarding the perception on finance factor, the significantly associating profile variables are age, literacy level, experience, income level, membership in unions and basis of wage rates since the respective 'F' statistics are significant at five per cent level. The significantly associating profile variables with the perception on work content are age, experience, income level and membership in unions whereas regarding the perception on psychology factor, these profile variables are age, literacy level, income level, periodicity of wage payment and membership unions. Regarding the perception on collective bargaining, the significantly associating profile variables are literacy level, income level, membership in unions and basis of wage rates whereas in the perception on management factors, the profile variables are literacy level, experience and membership in unions.

Discriminate factors in Labor-Management Relation (LMR) among male and female Employees

The employees' perception may differ on the factors in LMR. It is highly imperative to identify the important discriminate factors among male and female employees regarding their perception on factors in LMR for some policy implications. In the present study, an attempt has been made on analyzing the important discriminant factors among the male and female employees with the help of two group discriminant analysis. Initially, the mean difference of all five factor in LMR among the male and female employees have been computed. The discriminant power of the factors in LMR is examined with the help of 'Wilks Lambda'. The results are given in Table 4.38.

TABLE 2.38
MEAN DIFFERENCE AND DISCRIMINANT POWER OF THE FACTORS INFLUENCING LMR

Sl. No.	*Factors*	*Mean score*		*Mean Difference*	*'t'- Statistics*	*Wilks Lambda*
		Male	*Female*			
1.	Finance	3.0628	3.6526	–0.5898	–1.9804*	0.3315
2.	Work content	2.7634	3.4305	–0.6671	–1.9979*	0.1403
3.	Psychology	3.1712	3.0896	0.0816	–0.2197	0.5094
4.	Collective bargaining	3.5937	2.6895	0.9042	2.1816*	0.2179
5.	Management	3.5983	2.8244	0.7739	2.0914*	0.2842

Source: Primary data

*Significant at five per cent level.

The significant mean difference of factors in LMR is searched with the help of't' test. The significant't' statistics is identified with case of finance, work content, collective bargaining and management factor. The higher mean difference is noticed in the case of collective bargaining and management since the respective mean differences are 0.9042 and 0.7739. The higher discriminant power of the factor is noticed in the case of work content and collective bargaining since the respective wilks lambda coefficients are 0.1403 and 0.2179. The significant factors in LMR have been included to establish the two group discriminant function. The unstandardised procedure has been followed to establish such function. The established function is

$$Z= -0.8408-0.5898x_1-0.6671x_2+0.9042x_4+0.7739x_5$$

The relative contribution of discriminant factors in total discriminant score is computed by the product of canonical discriminant coefficient and the respective mean difference of the factors. The relative constitution of each factor in the total discriminant function is present in Table 4.39.

TABLE 2.39
RELATIVE CONTRIBUTION OF DISCRIMINANT FACTORS IN TOTAL DISCRIMINANT SCORE

Sl. No.	*Factor*	*Unstandardized Discriminant Co-efficient*	*Mean Difference*	*Product*	*Relative contribution in total discriminant score*
1.	Finance	–0.2451	–0.5898	0.1446	31.14
2.	Work content	–0.1941	–0.6671	0.1295	27.89
3.	Collective bargaining	0.1049	0.9042	0.0948	20.41
4.	Management	0.1234	0.7739	0.0955	20.56
	Total			0.4644	100.00

Source: Primary data

Per cent of cases correctly classified: 76.43

The higher discriminate coefficient is identified in finance and work content factors since the respective coefficients are –0.2451 and –0.1941 respectively. It reveals that the influence of the above said two factors in the discriminant function is higher. The higher relative contribution in total discriminant score is noticed in the case of finance and management factors since the respective contribution are 31.14 and 20.56 per cent respectively. The established discriminant function correctly classifies the male and female employees to the extent of 76.43 per cent.

Discriminate factors in LMR among piece and time rate employees

The important classification among the employees is piece and time rate employees. The perceptions of the two group employees may be significantly differ from each other because the mode of work and structure and basis of wage payment are different. The present study has made an attempt on identifying

the important discriminant factors among the two group of employees with the help of discriminant analysis. Initially, the mean difference, its statistical significance and Wilks Lambda of the factors in LMR have been computed. The results are given in Table 4.40.

TABLE 2.40
MEAN DIFFERENCE AND DISCRIMINANT POWER OF THE FACTORS AMONG SAMPLE EMPLOYEES

Sl. No.	*Factor*	*Mean score*		*Mean Difference*	*t-Statistics*	*Wilks Lambda*
		Piece Rate	*Time Rate*			
1.	Finance	3.2408	2.8407	0.4001	0.9417	0.4817
2.	Work content	2.6917	3.4906	–0.7989	2.5041*	0.1816
3.	Psychology	2.8904	3.6673	–0.7769	–2.1499*	0.3344
4.	Collective bargaining	3.6367	2.8072	0.8295	2.8643*	0.1407
5.	Management	3.7904	3.0214	0.7690	2.3317*	0.2461

Source: Primary data

*Significant at five per cent level.

The significant mean difference is noticed in the case of work content, psychology, collective bargaining and management factors since the respective 't' statistics are significant at five per cent level. The higher mean difference is identified in the case of collective bargaining and work content since the respective mean differences are 0.8295 and –0.7989. The higher discriminant power of the factor is noticed in the case of collective bargaining and work content since the respective Wilks Lambda coefficients are 0.1407 and 0.1816. The significant factors are included for the establishment of two group discriminant function. The unstandardised procedure has been followed to establish such function.

$Z = 0.5617 - 0.4501\ X_2 - 0.3944\ X_3 + 0.2908\ X_4 - 0.1699\ X_5$

The relative contribution of discriminate factors in total discriminant score is computed by the product of unstandardised commercial discriminant co-efficient and the mean difference of the respective factors. The results are given in Table 4.41.

TABLE 2.41
RELATIVE CONTRIBUTION OF FACTORS IN TOTAL DISCRIMINANT SCORE

Sl. No.	*Factor*	*Unstandardized Canonical Discriminant Co-efficient*	*Mean Difference*	*Product*	*Relative contribution in total discriminant score*
1.	Work content	–0.4501	–0.7989	0.3596	34.65
2.	Psychology	–0.3944	–0.7769	0.3064	29.52
3.	Collective bargaining	0.2908	0.8295	0.2412	23.24
4.	Management	–0.1699	0.7690	0.1307	12.59
	Total			1.0379	100.00

Source: Primary data

Per cent of cases correctly classified: 71.74.

The higher discriminant co-efficients are identified in the case of work content and psychology since its co-efficients are –0.4501 and –0.39441 respectively. It reveals the degree of influence of the above two factors in the discriminant function. The higher relative contribution of factors in total discriminant score is noticed in the case of work content and psychology since the respective constitutions are 34.65 and 29.52 per cent respectively. The estimated discriminant function correctly classified the cases to the extent of 71.14 per cent. The analysis infers that the important discriminant factors among the piece and

time rate employees regarding their perception on factors in LMR are work content and psychology.

Economic reforms paved way for liberalization in manufacturing and various provisions for import of foreign capital and direct investment. Thus, New Economic Policy led to increase in capital-output ratio in both piece and time rate industries in India during the study period.

The important age groups among the sample employees are 30 to 40 and 40 to 50 years. The dominant literacy level among the workers is secondary and higher secondary level. The important experience level among the sample employees is 10 to 15 and 15 to 20 years. The dominant family size among the workers is medium size. The most important mode of recruitment of sampled workers is direct recruitment.

The dominant income level among the workers were Rs.15000 to 25000 and more than Rs.40,000 per annum.. The important method of wage payment among the male and female workers was time rate. The dominant periodicity of wage payment among the sample employees was 'monthly'.

Most of the sample employees had membership only in single union. The important wage components among the employees were basic wages, dearness allowance and other benefits. The important causes of wage differentials among the piece rate workers was 'productivity' whereas among the time rate employees, they were experience and nature of work.

Regarding the employees' view on the wage components, the significantly associating profile variables were literacy level, experience, family size, mode of recruitment, periodicity of wage payment, membership unions, basis of wage rate and sex. The

significantly associating profile variables with the perception on wage differentials were age, literacy level, experience, family size, membership in unions, basis of wage rate and sex. Regarding the perception on the causes for wage differential, the significantly associating profile variables were age, experience, family size, mode of recruitment, income level, membership in the unions and sex.

Regarding the perception in the variables at work place, the significant difference among the male and female employees was identified in the perception on settlement of industrial disputes, implementation of factories act, standing orders act implementation, ESI Act implementation, rest room facilities, Provident Funds Act implementation, shelter facilities, implementation of Workmen compensation Act, Trade Union Act implementation, transport facilities and modern equipments.

The important situations at work place narrated by the factor analysis were labor laws, working conditions, welfare facilities and industrial relation. Among the male employees, the highly perceived important factors were work place, working conditions and welfare facilities whereas among the female employees, these were labor laws and working conditions. Regarding the perception on the important factors, the significant difference among the male and female workers have been identified in the perception on implementation of labor Laws and industrial relation.

Regarding the perception on labor laws, the significantly associating profile variables were age, experience, periodicity of wage payment, membership in unions and basis of wage rate. The significantly associating profile of variables of workers with their

perception on working conditions were age, literacy level, periodicity of wage payment, membership in unions, basis of wage rate and sex whereas regarding the perception on welfare facilities, these significant profile variables were age, literacy level, income level, periodicity of wage payment, membership in unions and basis of wage rate. The significantly associating profile variables in the perception on industrial relations were age, experience, membership in unions and basis of wage rate.

Regarding the overall satisfaction, the important level of satisfaction among the workers were moderate and dissatisfaction. Among the piece rate and time rate workers, the most important attitude towards the industry was moderate. Among the male and female workers, their level of attitude towards the industry was more or less same. The important level of attitude among the male and female workers was also moderate.

Among the male workers, the significantly influencing perception on various aspects in their works on their overall attitude towards the industry was their perception on labor laws, welfare facilities and industrial relation.. The significantly influencing perception on various aspects in their works on their overall attitude towards the industry among the female workers was working conditions and welfare facilities.

The significantly influencing perception on the various aspects in their works on their overall attitude towards the industry among the piece rate workers were welfare activities and industrial relation. Among the time rate workers, the significantly influencing perception on various aspects on their overall attitude towards their industry were perception on Labor Laws, working conditions and welfare facilities.

The highly perceived aspects in wage administration among the male workers are city compensatory allowance, deduction for insurance premium and deduction for any advances whereas among the female workers, these aspects were incentives, basic pay and deduction for insurance premium. Regarding the perception on wage administration, the significant difference among the male and female workers have been noticed in the perception on basic pay, incentives, deduction for any damage, housing rent allowance, overtime wages, deduction for absence from duty, salary advances and productivity linked wages.

The important aspects in wages administration narrated by the factor analysis were wages, allowance, incentives and deduction. The highly perceived factors in wages administration among the male workers was allowances and deduction whereas among the female workers, these were deduction and wages.

Regarding the perception on wages, the significantly associating profile variables were literacy level, experience, periodicity of wage payment, membership in unions, basic of wage rates and sex whereas in the perception of allowances, the significantly associating profile variables were age, literacy level, mode of recruitment, income level, periodicity of wage payment, membership in unions, basis of wage rates and sex.

The significantly influencing perception on factors in wage administration on overall attitude towards the industry among the male workers was the perception on wages and deduction whereas among the female workers, these are the perception on incentives and deduction.

The important discriminate perception among the male and female workers was the perception on industrial relation and the

Attitude Index on wage administration. The important discriminate perception among the piece rate and time workers were their perception on industrial relations and labor laws.

The important causes of disputes among the workers were bonus, wages and allowances. Among the piece rate workers, the most important cause was wages and allowance whereas among the time rate workers, it was bonus. The important method of settlement of disputes among the employees is negotiation and conciliation. Among the male and female workers belonging to either piece rate or time rate, the most import method of settlement of disputes was negotiation.

The highly perceived variables influencing labor management relations among male workers were wage related issues, political climate, safety and job security. Among the female workers, these variables were counseling, work load and welfare provisions. Regarding the perception on the variables leading to labor-management relations, the significant difference among the male and female workers has been noticed in the perception on promotion, grievance redressed, trade unionism, safety and security, labor policy, political climate, price index and non-participate management.

The important factors influencing labor-management relations narrated by the factor analysis were finance, work content, psychology, collective bargaining and management. The highly perceived factors influencing the labor-management among male workers were management and collective bargaining whereas among the female workers, these are finance and work content.

Regarding the perception on finance factor, the significantly associating profile variables were age, literacy level, experience,

income level, membership in unionisms and basis of wage rates whereas regarding the perception on work content factor, the significantly associating profile variables were age, experience, income level and membership in unions.

Majority of the employers chosen for the study had invested capital ranging from Rs.41 to 60 and Rs. 20 to 40 lakhs. The employers invested Rs.40 and Less than 40 lakhs is considered as group I employers whereas the employers invested above Rs.40 lakhs is considered as group II employers. The dominant age among the employers is 30 to 40 and 41 to 50 years. These two were the dominant age among the two group of employers. The most important level of education among the group I employer was under graduation whereas among the group II employers, it is technical and professional education.

The dominant form of organization among the employers was partnership and proprietorship. The most important form of organization among the group I and group II employers were partnership and proprietorship respectively. The important type of ownership among the employers was freehold which is followed by lease hold. The dominant pattern of ownership among the employers was 'newly started'.

Majority of the sample employees had 11 to 15 years of experience. Majority of group I employers employed less than 30 employees where as it was 41 to 50 in case of group II employers.

Majority of the respondent employers had their annual business turnover to the extent of Rs.1 Rs.3 crores. It was Rs. 1 to Rs. 2 crores among group I employers and Rs. 2 to Rs. 3 crores among group II employers. Similarly the wage bill of the majority of group I employers selected for the study was from 15 lakhs to

Rs. 20 lakhs and it was Rs, 21 lakhs to 25 lakhs in the group II employers.

The highly perceived aspects in wage administration among the group I employers are dearness allowance, festival advance and basic pay whereas among group II employees, these are holiday with pay, festival gift. Regarding the perception on the different aspects of wage administration, the significant difference among the group I and group II employers is identified in the case of perception on lump sum gift, financial incentives, and dearness allowance, holiday with pay, non-financial incentives, city allowance, and festival advance, housing allowance, bonus and profit sharing.

The important aspects in wage administration narrated by the factor analysis are wages, incentives, ex-gratia and fringe benefits. The highly perceived aspects in wages administration among the group I employers is wages and incentives whereas among the group II employers, these two are wages and ex-gratia. Regarding the perception on employer's opinion on wages administration, the significant difference among the group I and group II employers is identified in the case of ex-gratia.

Regarding the perception on wages, the significantly associating profile variables were capital invested-form of organization, years of experience, annual turnover and annual wage bill whereas regarding the perception on incentives, these profile variables are educational qualification, form of organization, pattern of ownership, years of experience annual turnover and annual wage bill.

The important Attitude Index on wage Administration among the employers was 41 to 60 pre cent. The most important

index among the group I and group II employers was 41 to 60 per cent. Regarding wage administration, the group II employers are generally highly perceived than their counterparts.

The important variables influencing the wage fixation among the group I employers were work load, productivity of employee and periodical revise whereas among group II employers, these were demand for labor and quality of output. Regarding the perception on the variables influencing the wage fixation, the significant difference among the two group of employers is identified in the case of perception on demand for lab our, talks with employers, supply of labor, convention, talks with trade union, productivity of employee, time rate and work load.

The important factors influencing wage fixation narrated by the factor analysis were productivity, convention, market and participation. Among the group I employers, the most important factor was convention whereas among group II employers, it was participation.

The significantly associating profile variables with the perception on productivity among the employers were capital invested, years of experience, number of employees, annual turnover and annual wage bill. Regarding the perception on convention, these profile variables were capital invested, educational qualification, years of experience and annual wage bill whereas regarding the perception on market, the significantly associating profile variables were capital invested, educational qualification, years of experience and annual wage bill.

The highly perceived critical area in wage determination among the group I employers were welfare amenities, wage fixation and Government norms whereas among the group II

employers, these were consent of trade union, labor laws and overtime wage determination.

The important critical area in wage fixation among the employers was external and internal factors. The most important factor in wage fixation among the group I and group II employers were external and internal factors respectively. The significantly associating profile variables with the perception on internal and external factors among the employers were educational qualification, and years of experience.

The highly perceived overall trend in the industry among the group I employers were participative management, job satisfaction among the employees and sale of products whereas among the group II employers, these are management involvement, training to workers and cost reduction.

The important trend in the industry is narrated into productivity, worker, relationship, management and environment by the factor analysis. The highly perceived trend among the group I employers are workers and productivity whereas among the group II employers are workers and productivity whereas among the group II employers, these are productivity and management.

Regarding the perception on productivity, the significantly associating profile variables are capital invested, educational qualification, years of experience and annual turnover whereas regarding the perception on workers, these significant profile variables are educational qualification, years of experience, annual turnover and annual wage bill.

The highly viewed problems encountered by the group I employers in wage administration are training to workers, political interference and periodical revision. Among the group II

employers, the important problems encountered in wage administration are labor productivity, industrial disputes and resistance to change.

The important problems identified by the factor analysis are related to fixation, psychological, productivity, work environmental. Among the group I employers, the highly viewed important problem is environmental problem whereas among the group II employers, it is psychological problem.

Regarding the perception on fixation the significantly associating profile variables are capital invested, educational background, type of ownership, years of experience, annual turnover and annual wage bill. The significantly associating profile variables with the perception on 'Psychological' problem are age and annual turnover whereas in the perception on productivity problem, these profile variables are capital invested, age, educational background, pattern of ownership, years of experience, annual turnover and annual wage bill.

SUGGESTIONS

India does not have a clearly defined labor and wage policy. From time to time, however, certain policy regulations have been laid down. The main aim of labor and wage policy as we envisage is to bring wages into conformity with the expectation of a working class and in the process to maximize employment. The labor and wage policy has to be formed taking into account such factors as the price level which can be sustained, the employment level to be aimed at, requirements of social justice and capital formation and need for growth.

In a planned economy, management of a positive relation among labor, wages and National income is to be established and

it is also to be ensured that a rising wage with rising national income does not create any inflationary problem. Further, wages play not only a distributive but also an allocative function.

An all inclusive "wage policy" would ideally include specific measures on a large number of elements such as savings and investment, price stability, worker efficiency, national allocation of labor, structure and level of wages, competitiveness of the economy in international markets, industrial peace and social justice. However, in the context of the present study the most relevant issue is the establishment of a proper wage- price relationship by means of a suitable decision-making process.

A proper labor and wage policy must ensure that a worker gets such increases as are conducive to economic growth and represent a fair share of the permissible increase in the consumption of the Nation as a whole.

To sum up, unsettled industrial relation in which both labor unions and employees are losing confidence and faith in the existing institutions and in which workers can only be disillusioned. The time is perhaps over due for the entire system of industrial relations to be revamped and put on a rational basis for a government policy that will be founded upon a general consensus among labor unions, management and employer organization and others connected with labor relation institutions and practice.

It is felt that there was a need for the generation of reliable and timely micro productive data by the enterprise itself and aggregate productivity data by government agencies. The labor bureau, CSO and NPC could cooperate in this task. The process could be facilitated through networking. It would be necessary to make adequate provision of resources for such an exercise.

Two tier wage system have become numerous over the past six years. They come in two forms where new employees for a period of time, work for lower wages than their senior workers. The waiting period may run between two years and five years before new employees get the full rate of older workers. Permanent plans provide that junior workmen will never catch up with their senior colleagues.

It is necessary to recognize the need for ensuring that no employee in any sector of the economy should be paid wages which fall below the poverty line. Efforts are needed to identify the sectors in which per capital wages fall below the poverty line with a view to diverting a part of the productivity gain in such sectors to the employees whose wages fall below the poverty line.

Linking of wages with productivity has also paved way for employee's identification with the organization and better team work. Although individual capability and motivation is important, efficiency as a group will act as a multiplier factor for productivity gains.

Considering the complexity of today's organizations it is not possible to design an effective wage structure linked to individual's productivity. It is however feasible to measure productivity of a group and establish linkage with earnings.

Instead of linking productivity with basic wage structure, it would be desirable to have a uniform wage structure for the organization as a whole with variable productivity linked earnings specific to a particular industry. An integrated strategy encompassing other components of human resource development will ensure development of productivity culture with cascading

effects leading to maximum gains in terms of achieving individual and organizational goals.

The pace of industrialization has not been and is still inadequate to meet the needs of the growing population. In India the disparities in the industrial development are quite large. A number of economic, political and social factors contribute towards the widening of regional disparities in industrial development in India.

The most recent phase of liberalization started since July 1991 failed to leave any marked impression on the growth of total factor productivity and labor productivity of Indian manufacturing sector at the All India and state levels. The phenomenon of strong capital deepening and growing capital inefficiency has been found to be established in Indian manufacturing sector at both National and State levels.

The liberalization programme promoted the process of capital deepening which in turn brought only the inefficiencies in the use of labor and capital inputs. The distortions in the labor market, productive trade regime and biases in policy towards the choice of capital intensive projects are the predominant factors which intensified the capital deepening process in Indian manufacturing sectors. The fine tuning of ongoing liberalization, privatization and globalization programme is thus needed to improve the efficiency of factor inputs in the Indian manufacturing sector. In this direction the greater use of appropriate indigenous labor intensive techniques of production becomes a requisite to enhance efficiency of factor inputs and economies of scale.

There is an urgent need to remove the prevailing distortions in the labor market. The removal of labor market

distortions will encourage the use of appropriate input mix through greater substitution of labor for capital and thus enhance the employment in the manufacturing sector. The labor saving bias in the technical progress should be wiped out by encouraging the application of labor intensive techniques on wider scale. The approach of greater application of labor intensive technique is congruous with the factor endowments of the Indian states and will ease the problem of unemployment. In order to induce a switch over from capital intensive techniques to labor intensive techniques, the government should subsidize the technological development for the fabrication and diffusion of appropriate indigenous labor intensive techniques of production.

There is an urgent need to evolve an efficiency oriented industrial strategy for destroying the realm of inefficiencies in production process that might have emerged in the Indian manufacturing sector during past five decades of planning.

CONCLUSION

The strategy for a country like India should ideally be to evolve an industrial relations system with cooperative labor - management relations at the enterprise level with the state playing a facilitating role rather than an 'active' role. The policy framework must also take into account the need to develop strong trade unions, strong bargaining structures, minimize third-party involvement in dispute settlement procedures, develop flexible labor market policies and strengthen collective bargaining at the enterprise level.

Globalization is a key factor in reshaping industrial relations. The growing internationalization of the market economy has hastened financial, trade and other economic exchanges between both industrialized and industrializing countries. Though the impact is difficult to assess due to diverse trends, the growing economic inter-dependence between and among nations is reducing the autonomy of the nations.

On the concept of labor and wages, it was felt that the pay packet should be rationalized. The bulk of payment must be linked to the outcome of work and this implies the notion of standard compensation for standard performance. This will call for the creation of an appropriate work culture, work attitude, commitment and behavior. The basic wage must be made the predominant element in the pay packet and this must be protected against inflation.

Wage Policy in the Indian context is influenced by a number of forces, economical and social. Without controlling non-

wage incomes and unaccountable incomes which have a suffocating impact on the economy, evolution of wage policy would be difficult.

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