
“Critical Study of Pay structure of Telecommunication Service Industry – Private and Public Sector (with reference to Nagpur Division)”

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Introduction

BACKGROUND TO THE STUDY

In today's intensely competitive and global marketplace, competitive advantage lies not just in differentiating a product or service or in becoming the low cost leader but in also being able to tap the company's special skills or core competencies. Thereby skilled and efficient employees of a company are now considered as one of the core competencies of the company. Especially for telecommunication industry; skilled efficient and motivated employees are must sit requires specialized, technical and, scientific knowledge and expertise, satisfactory compensation and benefit packages and there is zero tolerance in terms of developing quality products & services.

To attain such objectives HR plays a vital role and one of the most used tools by HR in order to ensure motivation for each and every employee is a Satisfactory “Pay Structure”. There is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organizational cultures, management processes and systems. Meanwhile, motivated, self motivated employees are also considered as an asset for any organization. To attain such recognitions HR plays a key role and one of the important aspects of HR process affiliated with the above objective is compensation system process. In this study an attempt has been made to understand the Pay structure system process of telecommunication industries in india. The effect of this study reveals the compensation system process and eventually concludes with some implications for telecommunication companies of India to make the present compensation system process more effective and objective oriented.

Telecommunication sector in India has always been leading the way to initiate new products and services in the local marketplace. The telecom industry consider that a hefty, skillful and enthusiastic employee is the key factor to success. The continual expansion of their people is an essential factor in driving their growth ambitions. They place a strong importance on how they are investing on their people and in people development, building a strong performance culture and driving the right levels of motivation across the organization. “People” are the central focus, which is why they maintain a very strong Human Resource Managing Culture throughout their organizations. As they give more focus on their employees and for that they want to do best for them through motivation so that they will be able to perform in an efficient and effective way. Though there were some dark sided regarding the full utilization of the process in the perspective of India; still the telecom industry in India getting benefitted from it. A good compensation system is very much effective for an organization; whatever the industry. It creates an opportunity for the telecom industry in India employees as well for high involvement with the organization. Through a strong and standardized Pay structure system, employee can compare themselves with others. No Pay system or compensation system can succeed without a clear, concise, and comprehensive communication plan. Every employee should make clear themselves about the whole process to proceed for further and make them competent in such a competitive market place.

Globalization, privatization and liberalization accelerated all round reforms in many sectors, especially in developing economies, in the world. Developing countries- like India have realized the importance of communication in the later part of 20th century. According to DoT (2013), today Indian Telecommunication Sector is one of the fastest growing telecom sectors and it has become the second largest network in the world, next to China. The Government of India really has encouraged the telecom sector to penetrate in the new markets across the

country by adopting appropriate policies. Therefore this sector is found to be in a growing path and with its potential will continue to do so in the future also.

The Indian Telecommunication Industry is fastest growing in the world. Government Policies and regulatory framework implemented by Telecom Regulatory authority (TRAI) have provided conducive environment for service Provider. This has made sector more competitive, while enhancing the accessibility of telecommunication services at affordable tariffs to the consumers. In the last two decades, the Indian telecom sector and mobile telephony in particular has caught the imagination of India by revolutionizing the way.

The telecommunications sector has emerged as one of the key sectors that have put the Indian economy on a revival path. Proactive policies such as opening up the sector to private players and competition, unbundling the policy, regulatory and operational roles of the government, removal of restrictions on foreign investments coupled with viewing reforms as a continuous process created an environment conducive to growth. These reforms enabled induction of new technologies.

Statement of the Problem

The relationship between organizational Pay structure system and employees performance is indispensable, though some surrounding factors may determine the satisfaction one derives from the other. The high inflation rate which has led to high cost of living, low income and, purchasing power can be a reason for poor performance. In order to achieve the needed output level, Management faces an uphill task in trying to fashion out a reward system which does not have to necessarily be totally monetary inclined to motivate and bring out the best in employees to whom morale would have been affected by the bad state of socio-political and economic sphere of the country.

The question now is, can there be a reward system that could adequately have an effect on workers performance? How often is this system reviewed? Would a fixed organizational compensation system bring out the required performance? Does the system reward the right set of employees? Would the outlined reward solve the immediate problems of workers in order to boost performance? Can the reward system stand out the test of time? Most times, only good behavior is rewarded while performance based reward is ignored. Also, some organizations confuse activity with action and reward those who seem busy, yet the quiet employees may have been doing the bulk of the work. From this, there is need for management to build its reward system along the line of actual performance and actual level of work, input and productivity. Therefore, the problem of trying to figure out these loopholes with intent of correcting them forms the basis for this research.

The need for this study arises from the variation in performance of employees in the organization that has been noticed and this research work hoped to improve the standard and in order to achieve this, project has gone into so many past works of authors and related literatures in order to profound solutions.

Literature Review

Job Performance

Performance is an extremely important criterion that relates to organizational outcomes and success (Campbell; McCloy; Oppler and Sager, 2003). Among the most commonly accepted theories of job performance comes from the work of John p, Campbell and colleagues. Coming from the psychological perspective, Campbell describes job performance as an individual level variable. There are several key features to Campbell's conceptualization of job which help clarify what job performance means.

Firstly, Campbell, *et al*, defines job performance as behavior. It is something done by the employee. This concept differentiates performance from outcomes. Outcomes are results of individual's performance, but they are also result of other influences. In other words, there are more factors that determines outcome than just employees behavior and actions. Campbell, *et al*, further clarifies that performance does not have to be directly observable actions of an individual. It can consist of mental productions such as answers or decision. However, performance needs to be under the individuals control, be it mental or behavioral. The behavior of an employee can help to increase or decrease organizational outcome (Campbell, *et al*, 2003). Rotundo and Sacket (2012), divide up performance in terms of task, contextual citizenship and counterproductive behavior. Whereas task performance describes obligatory behaviors, contextual behavior are behaviors that do not fulfill specific aspects of the jobs required role. Citizenship behavior are defined as behaviors which contribute to the goals of the organization through their effect

on social and psychological conditions. Counterproductive behaviors, on the other hand, are intentional actions by employees which circumvent the aims of the organization.

A Study on Wage and Salary Administration in Small Scale Units conducted by Dr. Imthiyaz Ahamed¹, S.Raghu² (Journal of Contemporary Research in Management, Volume-1, No.1, 2 Jan - June 2007) “Wage and Salary is a practical study performance of a company practically adopted among the four most important M’s, Men play a dominant role. The only way by which men can be gained, retained and satisfied is through wages and salaries. The findings of The mediating effect of distributive justice in the relationship between pay design and job satisfaction.(Azman Ismail¹, Dayang Kartini Abang Ibrahim², Antonia Girardi, study demonstrate that distributive justice does act as a mediating variable in the relationship between pay design issues and job satisfaction.

Wage Dispersion and Team Performance – An Empirical Panel Analysis by Egon Franck, Stephan Nüesch (University of Zürich, Institute for Strategy and Business Economics, Plattenstrasse 14, 8032 Zürich, Switzerland), throws light on Wage dispersion & creation of a positive pay-performance link, which induces higher future performance and attracts talent (Milgrom and Roberts, 1992). On the other hand, large pay differentials reduce team cohesiveness (Levine 1991) and increase relative deprivation which may decrease team performance (Akerlof and Yellen, 1990).

EMPLOYEE MOTIVATION: PAY STRUCTURE AND BENEFITS *Empirical study of nationalized bank in agartala shows*, that the most of the employees prefer pay structure as the prime motivator, though the job security comes just after the pay structure in employee preference sequence.

According to Gerhart & Milkovich, 1992 study conclude that one of the strongest determinants of employee attitudes, motivation and behaviors is compensation. Opsahl and Dunnette (1966) noted that, while employees confess to value many types of rewards (such as recognition) more than Pay.

Dow Scott, Ph.D., Loyola University (Tom McMullen, Hay Group WorldatWork June 2010), analyses, their is positive Impact of total Rewards-Driven Employee Engagement Programs on Organization Performance.

The Effect of Increase in Wage and Fringe Benefits on the Productivity of Workers in Nigeria : A Case Study of Federal Ministry of Transportation, Enugu, Nigeria {Quest Journals Journal of Research in Humanities and Social Science Volume 3 ~ Issue 1(2015) pp:13-18 ISSN(Online) : 2321 -9467}, In conclusion it was discovered that increase in worker’s wages and fringe benefits enhanced the productivity of workers in Nigeria.

Institute of Leadership & Management, beyond the bonus: Driving employee performance research shows that financial incentives are relatively ineffective motivators for the majority of staff. Instead, a focus on improving the workplace and developing management relationships is more likely to lead to effective and well-motivated teams. ILM has outlined four steps you can take to improve productivity across your organization without relying on financial incentive schemes.

Pay design consists of two major dimensions. Firstly, pay structure is often defined as the range of pay rates for different work, skills and/or performance within an organization (Bender, 2003; Milkovich and Newman, 2008). For example, pay rates are differently allocated according to the number of job levels, differences between the job levels and reward bases (i.e., job and/or performance) (Anthony et al., 2002;

Henderson, 2006). Secondly, pay level is often defined as the average of the group of rates which includes a combination of several pay components such as base pay, increases, benefits, allowances and perquisites (Henderson, 2006; Milkovich and Newman, 2008). It differs according to jobs in the organization, jobs in a specific department, or combination of any job types in the organization for achieving external competitive equity (Anthony et al., 2002; Henderson, 2006). Therefore, managers must have a clear idea of the goals, types and elements of pay systems because they may attract, retain and motivate competent employees to sustain and maintain organizational competitiveness in a global economy (Lawler, 1995, 2000; Ismail, 2006).

RESEARCH METHODOLOGY

The aim of this chapter is to discuss the various methods that have been employed in this research work. The sample used method of collecting data, the various sources of data and method analyzing the data. The objective of this is to provide the authority base for the research.

RESEARCH OBJECTIVES:-

1. To identify satisfaction level of employees regarding pay structure provided by company.
2. To analyze Promotion Policy and Pay structure of Telecommunication Industry.
3. To analyze the impact of Pay structure on employee retention in Telecommunication Industry.
4. To find out impact of Pay structure on employees performance, attitude and behavior.

RESEARCH DESIGN

This is concerned with the various methods to be employed in the collection of data necessary for the computation and successful completion of the research study. The research method and design used in any research is substantially determined by the nature of the research problems and the purpose of the study. Since this research is a fact finding study, descriptive research method was selected in order to study Pay structure. The descriptive approach is based on answers to certain relevant research questions.

In the process of achieving the objective, the questionnaire and oral interview research techniques were employed.

SAMPLE AND SAMPLING TECHNIQUE

The sample size for the staff was determined by the use of statistical method. This statistical method is to identify individual cases and focuses instead on classes, averages, percentage, measure of dispersions and more sophisticated statistical procedure. The sampling method used in this research work was stratified random sampling and simple random sampling (probability sampling technique). This implies that the population is chosen at random and has a known non-zero chance of selection. Thus homogenous groups/class of staff were grouped together to form a strata, and the elements in each strata were sampled at random. Hence, giving all the element an equal chances of being selected.

Sample Size :- 150

Public Sector :- 75

Private Sector:-75

METHODS AND INSTRUMENT FOR DATA COLLECTION**Primary Data**

The instruments used in this research are personal interview, personal observation and the use of questionnaire.

Secondary Data Collection:- Secondary data has been collected from various books, Magazines, Periodicals, Company records and Web sites and interaction with the number of field as well as HR executives of various Telecom service industry in Nagpur division.

Tools & Techniques to be used:

The data collected were analyzed and converted into meaningful and acceptable information and In regard to Conclusions & suggestions various statistical tools & techniques like percentage, average, ratio, proportions will be used. Similarly, a graphic presentation will be made along with Statistical Tools like Reliability Test, Chi-Square test .

For the purpose of analysis and interpretation of data the various techniques are used such as table, graphs and trend analysis. This proves to be the effective use of statistical techniques for reaching at right conclusion.

RESTATEMENT OF HYPOTHESES

Ho: That salary administration has no significant relationship with workers productivity.

H1: That salary and wages administration has a significant relationship with workers productivity and their performances.

Expected frequency is
3 2 1 0

Salary administration by management enhance productivity-

$Fe=97+48+0=145$

$Fe=145/3=48.33, X^2= Fo-Fe/Fe$

Fo	Fe	Fo-Fe	(Fo-fe) ²	(Fo-Fe) ² /Fe
97	48.33	48.67	23.69	49
48	48.33	0.33	0.1089	0
0	48.33	-43.33	23.36	48

$= X^2 -97$

X² tab n-1 at 5% significance

3-1 under 0.05

Therefore, X² tab = 5.99

Under 0.05

X² Cal = -97

Comments: From the tested hypothesis using table 13, and the table revealed that, the method of salary administration by the management enhance workers output. This means that bank payment stimulate employees in an organization to work. In order since the calculated (x²) chi-square is more than the X² table.

Whether salary increment boosts their morale.

$Fe=100+37+8/3$

$Fe=145/3$

$Fe=48.33$

$X^2=(Fo-Fe)^2/Fe=$

Fo	Fe	Fo-Fe	(Fo-fe) ²	(Fo-Fe) ² /Fe
100	48.33	51.67	2670	51.67
37	48.33	-11.33	128	2.65
8	48.33	-40.33	1627	33.66

$=X^2 -89.99$

X² tab n-1 at 5%Significance

3-1 Under 0.05

2 under 0.05

Therefore, X² Tab=5.99

Comments: From the tested hypothesis , it shows that salary increment boost employees moral and lead to high productivity in the local government since the X² calculated is greater than X table, frequency table , responses on salary and motivation.

$Fe=90+51+4/3$

$Fe=48.33$

$X^2=(Fo-Fe)^2/Fe$

Fo	Fe	Fo-Fe	(Fo-fe) ²	(Fo-Fe) ² /Fe
90	48.33	41.67	1736	35.92
51	48.33	2.67	7	0.14
5	48.33	44.33	1965	X ² = 76.72
4	48.33	48.33	1965	X ² -7672

X² tab n-1 at 5% significance
 4-1 under 0.05
 Therefore, X² tab = 5.90
 X² Cal = 76.72

Comment: From the hypothesis tested, it could be deduced that, the salary they earned motivate the employees to put more efforts which lead to higher performance and productivity with respect to the salary payment system in Telecommunication Industry.

Respondents view on Salary and Motivation

OPTION	FREQUENCY	PERCENTAGE
Yes	90	62.07
No	51	35.17
I don't know	4	2.76
Total	145	100

From the survey, 89 (61.38%) respondents says that they are satisfied with the way salary and wages matters are being handled by the council while 37 (25.52%) respondents are not satisfied and 17(11.75%) respondents said the council handles salary and wages in a terrible manner which could be as a result of lack of prudence and accountability while 2(1.36%) respondents said they did not know the management handle their salaries and wages.

Respondents view on the way the council handles salaries and wages matter

OPTION	FREQUENCY	PERCENTAGE
Yes	89	61.38
No	37	25.52
I don't know	17	11.75
Terrible	2	1.38
Total	145	100

The survey indicated that 68(46.90%) of the respondents often get salary increment every year while 29(20%) respondents get salary increment in every 2 and 5 years respectively while this means that something is responsible for lack of constant increase in salary ranging from lack of promotion, corruption and misappropriation of funds or denying employees entitlement such as fringe benefits and bonus.

Respondents view on salary Increment

OPTION	FREQUENCY	PERCENTAGE
Every year	68	46.90
Every 2 years	29	20
Every 5 years	29	20
Once in a while	19	13.10
Total	145	100

The data reveals that 100(68.96%) respondents accepted that increase in salary boosts workers morals while 37 (25.52%) respondents disagreed with that opinion and 8(5.52%) respondents are not sure whether increase in salary

boosts their morale. From the analysis, it could be deduced that if salary increases, it will also increase workers productivity and performance.

Respondents’ views on whether salary increment boosts their morale

OPTION	FREQUENCY	PERCENTAGE
Yes	100	68.96
No	37	25.52
Not certain	8	5.52
Total	145	100

The table below shows that 73(50.34%) respondents agreed that bank payment is used by the local government while 40(27.59%) respondents also said that table payment is used and 12(8.28%) respondents said they did not know because sometimes the council uses both table and bank payment just as responded by the 20 respondents.

Respondents’ views on salary payment method

OPTION	FREQUENCY	PERCENTAGE
Table Payment	40	27.59
Via Bank	73	50.34
I don’t know	12	8.28
Total	145	100

The data shows that 97(66.89%) respondents agreed that the method of salary administration is a motivating factor for the enhancement of productivity while 48(33.11%) respondents disagreed with the view. From the below table we can deduce that the method of salary administration increase productivity. The table below shows clear description made above.

Respondents view on whether the method of salary administration by management enhance productivity

OPTION	FREQUENCY	PERCENTAGE
Yes	97	66.89
No	48	33.11
Not Certain	0	0
Total	145	100

The data show that 59(40.69%) respondents are satisfied with the promotion policy in Olamaboro Local Government. 39 (26.89%) are unsatisfied with the policy. 34(23.45%) respondents are fairly satisfied while 13(8.97%) respondents don’t know.

Respondents view on Promotion Policy

OPTION	FREQUENCY	PERCENTAGE
Satisfactory	59	40.69
Unsatisfactory	39	26.89
Fair	34	23.45
I don’t know	13	8.97
Total	145	100

Summary of Findings

Since the X2 calculated value is greater than X2, table, then to we shall accept H1 (alternative hypothesis) and reject Ho (Null hypothesis), meaning that Pay administration has a significance relationship with workers productivity. This is because, from the tested hypothesis, the researcher discovered that the method of payment was also revealed that salary increment boosts employee’s morals and lead to high productivity, and the salary they earned has a connection with motivation. The employers of labour are aware of the fact that salary is also one way of improving employees’ performance in organization. It should be noted that if salaries are not adequately paid when due and

when salary increment and the method of payment, promotion, the way salary issues are handled, training is unsatisfied, the multiplier effect as regard to workers, output will be negative. In a nutshell, the decision for the acceptance of H1 (alternative hypothesis) has been taken based on the hypothesis tested using three frequencies from the analysis.

SUMMARY OF FINDINGS, DISCUSSIONS, RECOMMENDATIONS, IMPLEMENTATIONS AND LIMITATIONS

SUMMARY OF FINDINGS

The purpose of this work is to examine salary and wages administration as a tool for improving employees' performance in an organization in telecommunication industry.

In the course of this work, the objectives of the study raised research question on what pay administration is all about. The study objective, questioned if the existence pay administration could lead to improvement of employee's performance. The study was to ascertain whether the performance of employee's is a product of pay administration. The study made an attempt to explore the role pay administration play in increasing productivity and performance in the development of public service. The study also investigated the contribution of salary administration with regard to increment, how the council handles pay, how salary motivates workers on the enhancement of productivity and performance of economic growth in the Indian economy. This is because employees believe that the method of payment will also boost their purchasing power. The analysis of the data indicated that pay administration has positive role to play and has been playing in fostering economic and administrative development in India.

CONCLUSION

The importance of human resources to any organization be it private or public cannot be overemphasized. Organization objectives cannot be accomplished without taking care of the interest of employees who co-ordinate the activities of the organization. To achieve effectiveness and efficiency of employees and to reduce wastage at the work place, employers of labour must take care of the interest of their workers. However, it is generally assumed that salaries and wages administrators should be a model who should establish terms and conditions for employers which set standard for employers to follow.

RECOMMENDATIONS

People are the most important of all the resources required for the attainment of organizational goal. As such, human resources have to be managed with the greatest care and skills in order to motivate staff and enhance productivity and performance of their organization. Boosting people's morale is an extremely complex task, it involves provision of external rewards like pay rise and method of administration, promotions and praise compliments. It also involves the creation of conducive environment so that people can get self administered reward such as satisfaction from accomplishing of challenging task. However, among the method of boosting employer's morale is salary administration.

In view of the above, the following recommendations are made:

- (1) That the salary administration policy for public officers be implemented across board so that all the level officers especially the junior cadre can have a sense of belonging. This will go a long way in improving their performance and hence lead to higher productivity.
- (2) That salary increment should be rewarded as at when due from the analysis, it shows that if employees remuneration increases, it will improve employee performance. They should be no delay on the increment.
- (3) Promotion policy in the telecom sector should be done on merit as when due to deserving officers.
- (4) The researcher also advocates for adequate funding, constant auditing and accountability be strictly adhered to in handling salaries and wages matter in private telecom sector.

(5) Staff training and development should be pursued vigorously. Training should be organized by pursuing vigorous fields to improve employee's capabilities in the execution of their responsibilities and their performance.

(6) There should be cordial relationship between the leader and the lead. There should be forum created where the top management officers interact and share ideas with their subordinates. This will give subordinate a sense of belonging and a psychological boost their morale which will enhance their productivity and their performance in an organization.