

WAGE AND SALARY ADMINISTRATION IN AGRICULTURE AND ALLIED SECTORS: A CASE STUDY OF NAGALAND

***Thangasamy Esakki**
Research Scholar
Department of Commerce
Nagaland University
Lumami – 798 627, Nagaland(India)
Email: nu.thangasamy@gmail.com

Abstract

Worldwide, human resources are considered as one of the most important assets of a country. Human Resource Management plays a very crucial role in boosting the economic growth and development of a nation. Undoubtedly, compensation for employees does play a vital role in human resource management. Therefore, the management function further extends its jurisdiction to the crucial dimension of the wage and salary administration in an organization at micro level and in a nation at macro level. By and large, this task is very significant to retain and motivate the employees for improving their productivity of labour directly which entails indirectly the enhancement of their compensation and standard of living. This situation does draw the greater attention of the Government to enact suitable laws, rules and regulations to fix minimum wage rates for multifarious jobs, considering all the internal and external factors into account. Like other developed

countries, regulation of minimum wage rates becomes, therefore, very significant in India. Again, among all the sectors, agriculture and allied sectors are the backbones for socio-economic growth and development of a country. The scope of the human resource management, thus, draws more attention, especially towards the developing regions, like North Eastern Region, including the State of Nagaland.

Purpose of this paper is to identify the multifarious agriculture and allied sectors in Nagaland, to analyze the minimum rate of wages for employment in these sectors, and to bring out suggestive measures to the Government for framing suitable policies to improve the wellbeing of the people engaged in such activities within the State.

Key Words: Wage and Salary Administration, Agriculture and Allied Sectors, Nagaland

I. INTRODUCTION

Remuneration is directly or indirectly an important motivating factor in our society. Therefore, it becomes one of the important operative functions of the human resource management. In order to retain the dedicated and talented workforce in an organization, reasonable compensation is very essential in an organization. Thus, the growth and profitability of the organization do highly rest on the remuneration paid to its employees which improves their productivity. Simultaneously, for employees, it is a means of satisfying their physical needs and cost of living. It provides them a sense of recognition, esteem and social status. The compensation may either be of primary or supplementary in nature. The primary compensation refers to the basic pay in the form of salaries or wages. Supplementary compensation comprises incentive and uneven payments based either on an individual's output or a group's output as a whole.

As a welfare State, India is committed to secure for its working population the economic and social justice. Accordingly, our constitution also provides that the State must endeavour to secure for all the workers a living wage and conditions of work which guarantee them a decent standard of living and employment.

II. RATIONALE FOR THE STUDY

India is aiming at speedy growth of economy, industrial peace and harmony, price constancy, equal distribution of income and progressively rising standard of living for the working class. A sound and rational wage policy is, therefore, essential for ensuring reasonable living standards to the work force and for an optimal utilization of the country's human resources. The wage policy is, indeed, a sensitive and complex area of public policy because wages exercises a significant influence on income distribution, price stability and industrial relationships. This ensures a sense of security and confidence among the workers.

Similarly, of various sectors (primary, secondary and tertiary) of Indian Economy, the agricultural sector has been widely accepted worldwide as the 'backbone' of a nation as this sector largely supplies agriculture produce for human sustenance. . Guaranteeing minimum wages to the workforce engaged in this sector should become the priority on the part of the Government to enhance the productivity and output of the agricultural produce in the larger interest of the country. In this context, a research study on the regulation of minimum wage rates by the Government in agriculture sector and its allied sectors becomes essential to have a feedback for remedial measures. This emerging issue has become the rationale for the study in the State of Nagaland, one of the developing States of North Eastern Region.

III. LITERATURE REVIEW

Rocheteau., Guillaume., Tasci., & Murat (2007) conducted a study on 'the minimum wage and labour market' which presented a fact that there are certain cases that the minimum wages can have positive effects on employment and social welfare. These effects depend on the prevailing market wage and frictions in the market.

David, L., & Emmanuel, S., (2012) carried out a study on 'optimal minimum wage policy in competitive labour markets' and found that the minimum wage is a useful tool if the government values redistribution towards low-wage workers. They further suggested that, under certain labour conditions, it may be better for the government to subsidize low-wage workers and keep the minimum wage low.

David N., & William, W.,(2013), in their paper for the National Bureau of Economic Research titled, 'Revisiting the Minimum Wage Employment Debate: Throwing the Baby out with the Bathwater?' revealed that there is a trade off of higher wages for some against job losses for others.

IV. RESEARCH METHODOLOGY

- For the present study, the minimum wage rate pattern in the State of Nagaland has been taken into account. Agriculture and Allied sectors have been chosen for the investigation.
- This study has used purely secondary data.
- The data has been collected from the published documents of the Government. Internet, newspapers, magazines etc. have also been put in use to supplement the data.
- The collected data have been tabulated, classified, analyzed, and interpreted for drawing meaningful inferences therefrom.
- Simple comparative analysis has been made for better promoting comprehension and bar chart has been used for presentation of the facts.

V. OBJECTIVES OF THE STUDY

The major objectives of this study are;

- to identify the multifarious agriculture and allied sectors in Nagaland,
- to analyze the minimum rate of wages for employment in these sectors, and
- to bring out suggestive measures to the Government for framing suitable policies to improve the wellbeing of the people engaged in such activities.

VI. ANALYSIS AND INTERPRETATION

For the purpose of ascertaining the truth on the problem under investigation, relevant data has been collected from the published documents by the Government of Nagaland for analysis and interpretation.

Minimum Wage rate Structure of Nagaland in Agriculture and Allied Sectors

Minimum wage is that wage which is sufficient to cover the bare physical needs of a worker and

his/her family. The wage should provide not only merely for the base sustenance or sustenance of life but also for the preservation of the health, efficiency and wellbeing of the worker by creating adequate avenues for extending basic amenities such as medical care, education etc. The minimum wages is fixed statutorily from this view point. Minimum wage has to be paid to every worker irrespective of the paying capacity of an industry or enterprise. If any industry is not able to pay its employees at least a bare minimum, it cannot survive and grow in the long run. Therefore, in the interest of the workforce and the welfare of the State, it becomes an obligation on the part of the Government to regulate the wage rates periodically.

As required for the study, the data on the minimum wages structure (per day) in the State of Nagaland in agriculture and allied sector in September, 2009 have been collected, classified, tabulated, analyzed, and interpreted meaningfully.

The minimum rate of wages for employment in agriculture and allied sectors in Nagaland as on 16.9.2009 (per day) is depicted in Table 1.

TABLE I

MINIMUM RATE OF WAGES FOR EMPLOYMENT IN AGRICULTURE AND ALLIED SECTORS IN NAGALAND AS ON 16.09.09 (PER DAY)

(in Rs.)

Sl. No.	Trade	Skill ed Grade I	Skill ed Grade II	Semi Skill ed	Unskill ed
[1]	[2]	[3]	[4]	[5]	[6]
1	Brick Kilns	110	100	90	80

2	Automobile Workshop	110	100	90	80
3	Printing Press	110	100	90	80
4	Hotel and Restaurant	110	100	90	80
5	Bamboo, Pulp & Paper & Forest	110	100	90	80
6	Aluminum Industry	110	100	90	80
7	Weaving & Handicrafts	110	100	90	80
8	Distillery Units	110	100	90	80
9	Wooden Furniture Work	110	100	90	80
10	Cinema Units	110	100	90	80
11	Coffee & Tea Plantation	110	100	90	80
12	Plywood	110	100	90	80

	Industry				
13	Soap & Candle Unit	110	100	90	80
14	Loading & Unloading	-	-	-	-
15	Hair Cutting & Dressing	-	100	90	80
16	Rice, Oil, Flour & Dal Mills	110	100	90	80
17	Agriculture	-	100	90	80
18	Building & Maintenance of Roads	110	100	90	80
19	Public Motor Transport	110	100	90	80
20	Saw Mills & Timber Industry	110	100	90	80
21	Shop & Commercial Hospital & Nursing Home	110	100	90	80

22	Laundry & Washing Cloth	-	-	90	80
23	Tailoring, Stitching & Embroidery	110	100	90	80
24	Chemical Industry	110	100	90	80
25	Petrol & Diesel Oil Pump	110	100	90	80
26	Cement Concrete Pipes	110	100	90	80
27	Non-ferrous metal rolling, steel fabrication industries	110	100	90	80
28	Cement Factories & Other Cement Products	110	100	90	80
29	Motor Body Builders	110	100	90	80
30	Tyre Service	110	100	90	80

31	Ice Product	110	100	90	80
32	Canvas Industry	110	100	90	80
33	Bakery & Biscuit Industry	110	100	90	80
34	Match Factory	110	100	90	80
35	Khasari Sugar factory	110	100	90	80
36	Stone Breaking/Stone Crushing	110	100	90	80
37	Veterinary & Animal Husbandry	110	-	90	80
38 *	Cement Concrete Pipes	110	100	90	80
39 *	Non-ferrous metal rolling, steel fabrication industries	110	100	90	80
40 *	Cement factories & Other	110	100	90	80

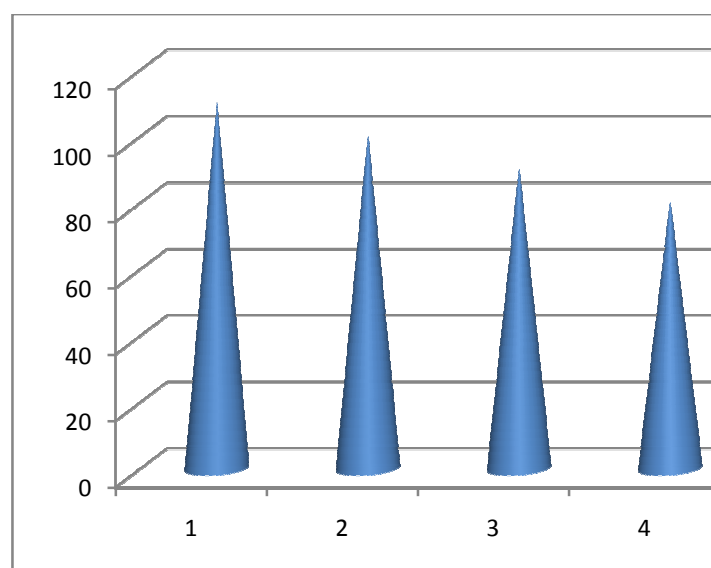
	Cement products				
41 *	Motor Body Builders	110	100	90	80
42 *	Tyre Service	110	100	90	80
43 *	Ice Product	110	100	90	80
44 *	Canvas Industry	110	100	90	80
45 *	Bakery & Biscuits industry	110	100	90	80
46 *	Match Factory	110	100	90	80
47 *	Khasari Sugar Factory	110	100	90	80
48 *	Stone Breaking/Stone Crushing	110	100	90	80
49 *	Veterinary & Animal Husbandry	110	-	90	80
	# Monthly	330	300	270	2400

	<i>wages</i>	0	0	0	
	# Ratio of Monthly Remuneration	11	10	9	8
	#Wage Differentials per month	-	(-) 300	(-) 300	(-)300

Source: Statistical Handbook, 2011 *Minimum Rate of Wages under 37 Schedule of Employment # Author's calculated figures

Analysis of data in Table 1 reveals that the classification of employment in agriculture and allied sectors in the State of Nagaland has been made into 37 categories of trade. Grading of labour has been made into skilled - I, Skilled-II, Semi-skilled and Unskilled whose minimum rate of wages is fixed as 110, 100, 90 and 80 respectively.

The overall grade-wise minimum rate of wages has been depicted in Fig.1.



Series 1 – Skilled Grade I, 2 – Skilled Grade II, 3 – Semi-skilled, 4 – Unskilled Fig. 1 Minimum Rate of Wages for Employment in Agriculture and Allied Sectors in Nagaland as on 16.09.09 (per day)

The analysis of data in Table 1 further exhibits that no minimum rate of wages is available for the trade, 'Loading & Unloading' for all categories. Similarly, the rate is not fixed for the 'Skilled Grade – I' category in trade 'Hair Cutting & Dressing'. This indicates that there is no such classification recognized under this category. The same fixation of minimum wage rate is prevalent even in 'agriculture'. The labour under the trade 'Laundry & Washing Cloth' has been categorized as 'semi- skilled and unskilled' and hence on Skilled labour category is witnessed for wage administration. Further, it has also been found that there is no classification of labour as 'skilled Grade II' under the trade, 'Veterinary & Animal Husbandry'. Yet, skilled Grade I exists under the trade for fixation of minimum rate of wages. It is also noteworthy that the trades numbering from 38 to 49 indicate the minimum rate of wages under 37 schedule of employment as on 16.9.2009 (per day) for the labour employed within their respective sectors. As observed from the Table 1, the ratio of wages among the classifications of labour – Skilled Grade I, Skilled Grade II, Semi-skilled and Unskilled – is 11:10:9:8. Accordingly, the monthly wages of labour, taking 30 days per month, fixed for these four major categories under investigation is found to be Rs.3300, Rs.3000, Rs.2700 and Rs.2400. The monthly difference of minimum wage rates among these categories of labour stands as Rs.300, taking the rate of wages under the skilled grade i.e.300/- as a base rate.

VII. FINDINGS OF THE STUDY

Findings of the study are presented as under;

- The classification of employment in agriculture and allied sectors in Nagaland has been made into 37 categories of trade.
- Grading of labour has been made into skilled - I, Skilled-II, Semi-skilled and

Unskilled whose minimum rate of wages is fixed as 110, 100, 90 and 80 respectively.

- No minimum rate of wages is available for the trade, 'Loading & Unloading' for all categories.
- The rate is not fixed for the 'Skilled Grade – I' category in trade 'Hair Cutting & Dressing'. This indicates that there is no such classification recognized under this category. The same fixation of minimum wage rate is prevalent even in 'agriculture'.
- The labour under the trade 'Laundry & Washing Cloth' has been categorized as 'semi- skilled and unskilled' and hence on Skilled labour category is witnessed for wage administration.
- There is no classification of labour as 'skilled Grade II' under the trade, 'Veterinary & Animal Husbandry'. Yet, skilled Grade I exists under the trade for fixation of minimum rate of wages.
- The trades numbering from 38 to 49 indicate the minimum rate of wages under 37 schedule of employment as on 16.9.2009 (per day) for the labour employed within their respective sectors.
- The ratio of wages among the classifications of labour – Skilled Grade I, Skilled Grade II, Semi-skilled and Unskilled – is 11:10:9:8.
- The monthly wages of labour, taking 30 days per month, fixed for these four major categories under investigation is found to be Rs.3300, Rs.3000, Rs.2700 and Rs.2400. The monthly difference of minimum wage rates among these categories of labour stands as Rs.300, taking the rate of wages under the skilled grade i.e.300/- as a base rate.

VIII. RECOMMENDATIONS AND SUGGESTIONS

The present study puts-forth the following suggestions;

- The Government shall take initiatives to fix minimum rate of wages for the trade, Loading and Unloading against all categories.
- Periodic review and revision of the minimum wages rates may be ensured in order to promote the standard of living of the people.
- The factors such as cost of living, job requirements, demand and supply of labour, the rate of Inflation, productivity, general wage level in the job market etc. may be taken into consideration while fixing the minimum wage rates for different trades.
- Workers' participation may be encouraged by the Government on such crucial decisions.
- Comparison of all the trades and identification of the disparities in minimum wage rates inter se and formulation of suitable strategies may be contemplated by the policy makers in the Government.
- Equal wages for equal work must be guaranteed to the workers engaged in any particular trade in the region.

IX. CONCLUSION

Globally, for a speedy socio-economic growth and development of a nation, human resource management becomes inevitable in an organization or a government. An organization will strive harder to enhance its profit margin by hook or crook, even by subordinating the interest of its employees. At the same time, the employees will constantly look for improving their standard of living in the society. Thus, a fixation of reasonable and fair wage rates for the people (workforce), especially engaged in blue collar jobs, like agriculture and allied sectors, is a must. In India, no significant policies exist on this front. However, among all the sectors

contributing to the economic growth of a nation, agriculture and allied sectors are, therefore, considered to be the most significant demanding greater attention of the government and policy makers. In these sectors, the minimum wage rates are constantly to be regulated to protect the interests of the people engaged in multifarious trade activities. As it is very difficult to formulate a unified strategy for all the States of India to regulate the minimum wage rates for the persons engaged in agriculture and allied sectors, all the States need to fix and regulate, monitor and review the rates periodically and spontaneously. The State of Nagaland has also fixed the minimum wage rates in the sector which needs periodic revision and review, considering all the internal and external factors into account. Sound monitoring and evaluation procedures, in consultation with the workers' forums, from time to time in the State will certainly yield better results. If the Government gets down to brass tacks on this crucial issue, such endeavour will certainly improve the wellbeing of the people in particular and socio-economic growth of the State of Nagaland in general.

X. LIMITATIONS AND FUTURE SCOPE OF THE STUDY

This study has put only the secondary data in use for analysis and interpretation. More focus has been given on wage administration, rather than salary administration in the State. This is because the workers engaged in blue collar jobs are comparatively succumbed often to exploitation in different organizations, rather than the employees engaged in white collar jobs. Factors influencing the wage administration in the State, methods, and State/Central regulations on wage payment are excluded from the purview of this present study. Only the minimum wage rates prevalent in agriculture and allied sectors in the State of Nagaland is taken into account.

Hence, the minimum wage rate pattern in other sectors is not investigated. The basic wage structure has been analyzed and however, the incentive plans and other incentive/pay structures such as Dearness Allowances, Bonus and other incentives, fringe benefits or perquisites etc. have not been taken up for this enquiry. Therefore, keeping all these limitations in view, further studies may be carried out making more detailed analysis, using both the primary and secondary data, will undoubtedly throw more light on the problem under investigation. This study does, thus, pave a way for future research endeavours to be undertaken by the budding researchers, aspiring policy makers and the workers-friendly Government in the days to come.

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