CHAPTER I
INTRODUCTION

1.1 INTRODUCTION 2
1.2 CONCEPT OF COMPENSATION 9
1.3 COMPENSATION FUNCTIONS AND RESPONSIBILITIES 13
1.4 ROLE OF COMPENSATION 14
1.5 ECONOMIC ISSUES IN COMPENSATION POLICY 16
   SUBSISTENCE THEORY 16
   THE SURPLUS VALUE THEORY 17
   THE WAGES FUND THEORY 18
   THE MARGINAL PRODUCTIVITY THEORY 18
   THE BARGAINING THEORY 19
   DEMAND AND SUPPLY 19
   PURCHASING POWER THEORY 20
   COMPARATIVE ADVANTAGE THEORY 21
   BEHAVIOURAL THEORIES AND RELAVANT ISSUE IN COMPENSATION 22
   CONTENT THEORIES 22
   HIERARCHI OF NEEDS 22
   TWO FACTOR THEORY OF MOTIVATION 23
   ERG THEORY 23
   PROCESS THEORIES 23
   EXPECTANCE THEORY 24
   EQUITY AND ATTRIBUTION THEORIES 25
1.6 ATTRIBUTION 26
1.7 OBJECTIVES OF THE STUDY 27
1.8 IMPORTANCE OF THE STUDY 27
CHAPTER II 36-83

ECONOMIC BACKGROUND OF COMPENSATION POLICY

2.1 ECONOMIC OBJECTIVES OF COMPENSATION POLICY 37
2.2 THE SOCIAL OBJECTIVES OF COMPENSATION POLICY 37
2.3 EMPLOYER'S ABILITY TO PAY 38
2.4 THE PROBLEM OF NEUTRALISATION 38
2.5 COMPENSATION STRUCTURE 39
2.6 BASIC PAY/WAGES 40
2.7 WAGE Vs SALARY 41
2.8 DEARNESS ALLOWANCE 42
2.9 PROFIT-SHARING BONUS 42
2.10 OTHER ALLOWANCE
   HOUSE RENT ALLOWANCE (HRA) 44
   LEAVE TRAVEL ALLOWANCE (LTA) 45
   WASHING ALLOWANCE 45
   CONVEYANCE ALLOWANCE 46
   SHIFT ALLOWANCE (SA) 46
   CASH HANDLING ALLOWANCE 46
   LUNCH ALLOWANCE AND DINNER ALLOWANCE 47
   EDUCATIONAL ALLOWANCE 47
UNDERGROUND ALLOWANCE 47
OUTSTATION ALLOWANCE 47
SERVANT ALLOWANCE 47
SOCIAL SECURITY ALLOWANCE 47
CITY COMPENSATORY ALLOWANCE 47
OVERTIME ALLOWANCE 48

2.11 THE WAGE/ SALARY DETERMINATION PROCESS 48
2.12 THE PROCESS OF JOB ANALYSIS 48
2.13 JOB EVALUATION 49
   RANKING METHOD 50
   JOB CLASSIFICATION 50
   POINT SYSTEM 51
   FACTOR COMPARISON SYSTEM 52
2.14 WAGE/ SALARY SURVEYS 52
2.15 SALARY SURVEYS 53
2.16 RELEVANT ORGANISATIONAL PROBLEMS 55
2.17 PREPARATION OF WAGE/SALARY STRUCTURE 55
2.18 HOW TO DEVISE A SALARY STRUCTURE? 57
   SALARY PROGRESSION 57
   BROADBANDING / GRADED SALARY STRUCTURES 58
2.19 JOB PRICING 58
2.20 FACTORS INFLUENCING COMPENSATION STRUCTURE
   OF AN ORGANISATION 59
   THE ORGANISATIONS ABILITY TO PAY 60
   SUPPLY AND DEMAND OF LABOUR 61
   PREVAILING MARKET RATES 61
   THE COST OF LIVING 62
   THE LIVING WAGE 62
   PRODUCTIVITY 63
   TRADE UNION'S BARGAINING POWER 63
   JOB REQUIREMENTS 63
   MANAGERIAL ATTITUDES 63
   PSYCHOLOGICAL AND SOCIAL FACTORS 64
2.21 METHODS OF PAYMENT OF WAGE & SALARY
   TIME RATE SYSTEM 64
   PAYMENT BY RESULT SYSTEM 64
   STRIGHT PIECE- WORK 65
   DIFFERENTIAL PIECE-WORK SYSTEM 65
   MEASURED DAY WORK 65
2.22 MINIMUM, FAIR, LIVING WAGE 65
   STATUTORY MINIMUM WAGE 65
   BARE OF BASIC MINIMUM WAGE 66
   MINIMUM WAGE 66
   LIVING WAGE 67
   FAIR WAGE 68
   THE NEED-BASED MINIMUM WAGE 68
2.23 PUBLIC POLICY AND LEGAL FRAMEWORK 69
2.24 UNILATERAL PAY FIXATION 71
2.25 COLLECTIVE BARGAINING 72
2.26 LEVELS OF BARGAINING 72
2.27 PAY COMMISSION FOR CENTRAL GOVT. 73
2.28 WAGE BOARDS 79
   CONSTITUTIONAL OF WAGE BOARDS 79
   FUNCTIONS OF WAGE BOARD 80
   PROCEDURE OF THE WAGE BOARD 80
   CRITERIA FOR AWARD OF THE WAGE BOARD 80
   AWARD OF THE WAGE BOARD 81
   ENFORCEMENT OF THE AWARD 81
2.29 ADJUDICATION 82

CHAPTER III 85-113

LAWS AND RULES GOVERNING EMPLOYEE BENEFITS AND WELFARE
3.1 OBJECTIVES OF FRINGE BENEFIT.

3.2 STATUTORY WELFARE PROVISIONS
   - THE FACTORIES ACT, 1948
   - THE MINES ACT, 1952.
   - THE PLANTATION LABOUR ACT, 1951.
   - THE MOTOR TRANSPORT WORKERS, 1961
   - THE CONTRACT LABOUR
     (REGULATION AND ABOLITION) ACT, 1970

EDUCATIONAL FACILITIES PROVIDED BY THE EMPLOYERS
   - HOUSING FACILITIES.
   - TRANSPORT FACILITIES.
   - RECREATIONAL FACILITIES.
   - CONSUMER COOPERATIVE SOCIETIES.

3.3 SOCIAL SECURITY.
   - NEED FOR SOCIAL SECURITY.
   - THE WOMEN'S COMPENSATION ACT, 1923.
   - THE EMPLOYEE'S STATE INSURANCE ACT, 1948.
   - SICKNESS AND EXTENDED SICKNESS BENEFIT.
   - MATERNITY BENEFIT
   - DISABLEMENT BENEFIT.
   - DEPENDANTS' BENEFIT.
   - FUNERAL BENEFIT
   - MEDICAL BENEFIT.
   - RESTRICTED MEDICAL CARE
   - EXPANDED MEDICAL CARE
   - FULL MEDICAL CARE.

THE EMPLOYEES PROVIDENT FUND AND
MISCELLANEOUS ACT, 1952.
EFFECT OF NUMBER OF EMPLOYEES FALLING
BELOW TWENTY.
NON-APPLICABILITY OF THE ACT TO
CERTAIN ESTABLISHMENT.
EMPLOYEES' PROVIDENT FUND SCHEME
CONTRIBUTION AND MATTER, WHICH MAY BE PROVIDED FOR IN THE SCHEME. 107
EMPLOYEES' PENSION SCHEME [SECTION 6-A] 108
EMPLOYEES’ FAMILY PENSION SCHEME, 1971 110
THE EMPLOYEES’ DEPOSIT-LINKED INSURANCE SCHEME, 1976 110
THE MATERNITY BENEFIT ACT, 1961 111
THE PAYMENT OF GRATUITY ACT, 1972 111
FORFEITURE OF GRATUITY. 112
COMPULSORY INSURANCE 112
NOMINATION 113
RECOVERY OF GRATUITY. 113

CHAPTER IV 115-216

COMPENSATION AND SALARY ADMINISTRATION IN SELECT ORGANISATIONS AND ANALYSIS OF EMPLOYEE’S PERCEPTION

DEPARTMENT OF IRRIGATION, GOVT. OF ASSAM.

4.1.1 COMPENSATION PLANNING OF IRRIGATION DEPARTMENT, GOVT. OF ASSAM, 115
4.1.2 ORGANIZATIONAL SET-UP OF IRRIGATION DEPARTMENT 115
4.1.3 COMPENSATION PACKAGE OF IRRIGATION DEPARTMENT, GOVT. OF ASSAM 116
4.1.4 PRINCIPLE OF PAY DETERMINATION 117
4.1.5 MINIMUM AND MAXIMUM REMUNERATION 121
4.1.6 MAXIMUM PAY 125
4.1.7 DISPARITY RATIO 126
4.1.8 FIXATION OF PAY IN REVISED PAY SCALES 127

GAUHATI UNIVERSITY

4.2.1 FIXATION OF PAY IN THE REVISED PAY SCALES 142
4.4.2 RETIREMENT BENEFIT 146
4.2.3 GRATUITY
4.2.4 REVISED PAY STRUCTURE

**STATE BANK OF INDIA (SBI)**
4.3.1 FORMULATION OF PAY PACKAGE OF SBI

**AIRPORT AUTHORITY OF INDIA (A.A.I)**
4.4.1 COMPENSATION PLANNING OF A.A.I
   - PAY FIXATION IN THE REVISED PAY SCALES
   - SCALES OF PAY & ALLOWANCES

**GUWAHATI REFINERY**
4.5.1 EXISTING SALARY AND COMPENSATION
   - INCREMENTS
   - ALLOWANCE
   - CITY COMPENSATION ALLOWANCE
   - HOUSE RENT ALLOWANCE

**CENTRAL PUBLIC WORKS DEPARTMENT**
4.6.1 GENERAL PRINCIPAL FOR PAY DETERMINATION
4.6.2 THE COMMISSION'S STRATEGY ON PAY DETERMINATION
4.6.3 MINIMUM AND MAXIMUM SALARIES
4.6.4 REVISED SCALES OF PAY

**CHAPTER V**

HUMAN RESOURCE DEVELOPMENT THROUGH COMPENSATION PLANNING IN SELECT ORGANISATIONS AND ANALYSIS OF SAMPLE DATA
CHAPTER VI

CONCLUSION AND SUGGESTION

6.1 CONCLUSION 259
6.2 SUGGESTIONS 263

ANNEXURE I  i-vi
BIBLIOGRAPHY  i- xiv