

**SOS POLITICAL SCIENCE AND PUBLIC ADMINISTRATION,  
JIWAJI UNIVERSITY, GWALIOR**

**MBA HRD II SEM**  
**PAPER - HRD 202**

**SUBJECT NAME: WAGES & SALARY ADMINISTRATION**

**TOPIC NAME: WAGE POLICY IN INDIA**

# Wage policy in India

- A national wage policy aims at establishing wages at the highest possible level, which the economic conditions of the country permit and ensuring that the wage earner gets a fair share of the increased prosperity of the country as a whole resulting from the economic development.



# Objectives of Wage policy in India

- To eliminate malpractices in the payment of wages.
- To set minimum wages for workers, whose bargaining position is weak due to the fact that they are either unorganized or inefficiently organized. In other words, to reduce wage differential between the organized and unorganized sectors.



# Objectives of Wage policy in India

- To rationalize inter-occupational, inter-industrial and inter-regional wage differentials in such a way that disparities are reduced in a phased manner.
- To ensure reduction of disparities of wages and salaries between the private sector and public sector in a phased manner.



# Objectives of Wage policy in India

- To compensate workers for the raise in the cost of living in such a manner that in the process, the ratio of disparity between the highest paid and the lowest paid worker is reduced.
- To provide for the promotion and growth of trade unions and collective bargaining.



# Objectives of Wage policy in India

- To obtain for the workers a just share in the fruits of economic development.
- To avoid following a policy of high wages to such an extent that it results in substitution of capital for labor thereby reducing employment.





# Objectives of Wage policy in India

- To prevent high profitability units with better capacity to pay a level of wages far in excess of the prevailing level of wages in other sectors.
- To permit bilateral collective bargaining within national framework so that high wage islands are not created.



# Objectives of Wage policy in India

- To encourage the development of incentive systems of payment with a view to raising productivity and the real wages of workers.
- To bring about a more efficient allocation and utilization of man-power through wage differentials and appropriate systems of payments.





# CONCEPTS OF WAGES

MINIMUM WAGES

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graph TD; A[MINIMUM WAGES] --> B[FAIR WAGES]; B --> C[LIVING WAGES];
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FAIR WAGES

LIVING WAGES

## **WAGE :**

Wage is paid to the assembly line workers or worker at operational level. It is paid hourly/daily/weekly

## **MINIMUM WAGE:**

It must provide not only for the bare sustenance of life but for the preservation of the efficiency of the workers by providing some measures of education , medical care etc.

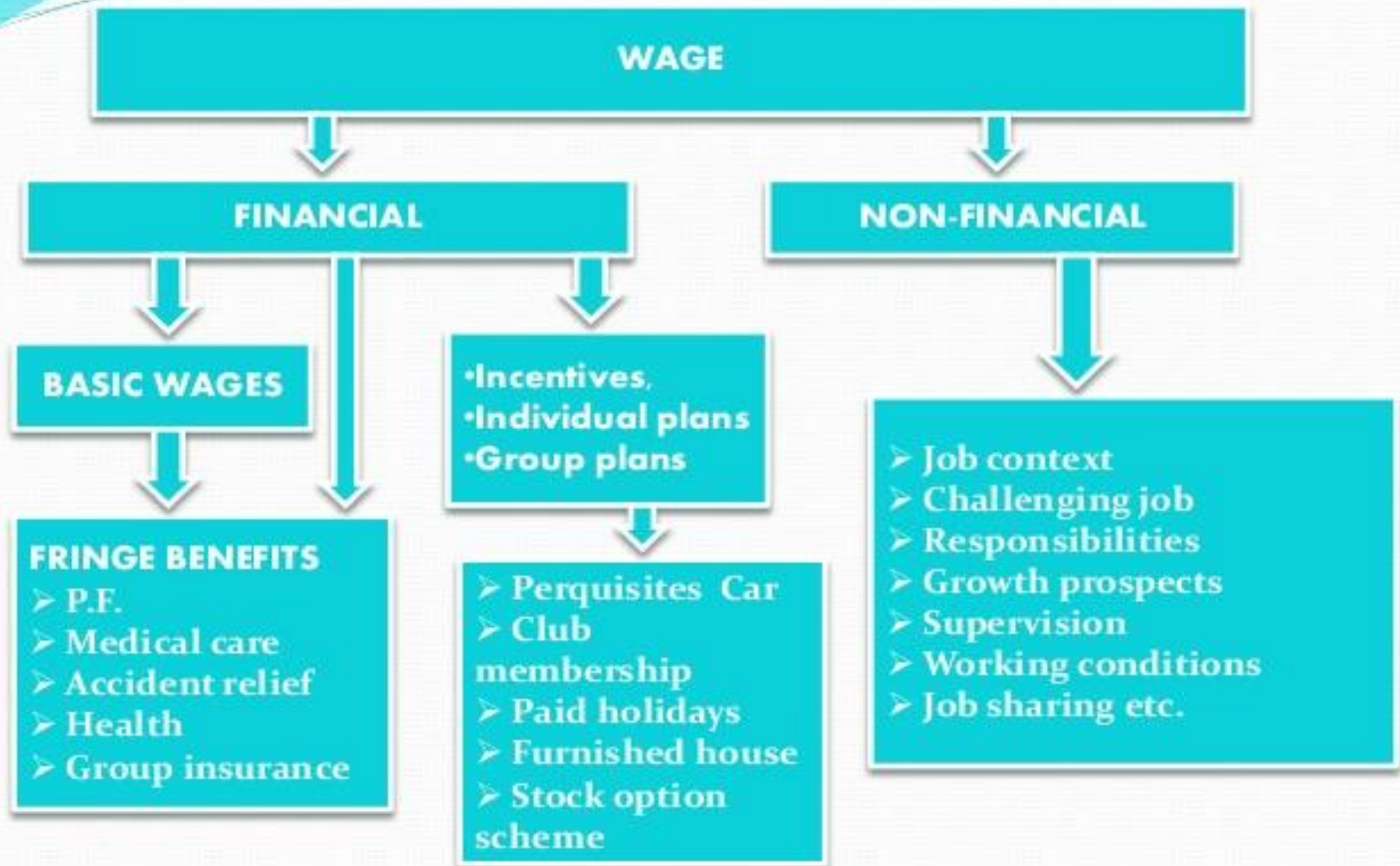
## **LIVING WAGE:**

It is not only for the bare essentials for the worker and his family but also for comfort protection against ill-insurance for old-age .

## **FAIR WAGE:**

It is in between minimum wages and living wages but below the living wage

## **COMPONENTS OF WAGE**



# Wages Policy in India

- Payment of Wages Act, 1936
- Industrial Dispute Act, 1947
- Minimum Wages Act, 1948
- Equal remuneration Act, 1976
- Payment of Bonus Act, 1965
- Wage Board



## RECOMMENDATIONS OF WAGE POLICY

- ❖ The planning commission in February, 1973, set up a committee of wage policy when face with the dilemma as to what should be a wage policy which could be applied as a permanent features of our development strategy
- ❖ The committee appears to be restricted its scope to the problems of wage policy only in organised private sector of the economy leaving out the government sector



Is  
My Wage =  
My Inputs and Contributions



Thank  
you!

