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The Relationship between Salary and Wage System with Human Resources Management Productivity (Case Study: Rasht branch-Islamic Azad University)

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Abstract

This research is a descriptive study. The statistical society of this research is the people of Islamic Azad University of Rasht and its sample involves 142 persons (48 persons are members of scientific Board and 94 persons are personnel) which were chosen by classification method. The instruments of gathering data are Questionnaire and Financial documents of the university in a period of five years. In order to analysis the data, besides the descriptive methods, Single variable t-test, Toki, Friedman, Regression and Correlation coefficient were used too. The analysis of results shows that there is a meaningful and positive relationship between salary and wage system with human resources Productivity.

Key words: Salary and Wage System, Human Resources Management Productivity, Welfare Services, Reward Punishment.

Introduction

Considering the changes speed in various social and economical fields and increase of competition among service and industrial organizations, human resources productivity becomes a key factor, because the life of each organization relates to the measure of grow and improve its productivity it should recognize the effective factors and based on their importance, do a suitable work (Soltani, 2016). One of the most important factors on human resources productivity is salary and wage system.

Productivity is one of the basic bases of competition and countries which do not notice to this subject face problems in global markets, because unproductively causes potential difference in using resources and these countries have to enclose with fences around their economy and close these fences causes severe unbalance in their economy (Taehri, 2019).

Countries which want to grow and improve in different aspects of economical, social and cultural should first reach to development in knowledge and thinking. The most important and valuable resources of each organization are knowledge, experience and skill of their personnel.

A good planning for organizations personnel (which is coordinated with the business, is a huge help for productivity and growth improvement (Mashayekhi, 2018).

Human resources productivity is the most important factor for producing products and services and because of its relation with total productivity, is the most common tool for measuring productivity and in the most related studies to Productivity; it is caused productivity as general.

Salary and Wage system involves legal receives which are salary, grocery and house costs, going and returning costs, production increase reward, yearly profit,....(Taleghani, 2015).

A research with the subject "The relationship of wage and salary, Age and Education with productivity of small industries" was done in Kermanshah, the results of this research showed that there is a positive relationship between salary and wage, the Average of personnel work record, Age and Average of education years with productivity but the effectiveness of these factors are not the same. Work records have the maximum effect and the age of personnel has the minimum effect on productivity (Ganjawar, 2015).

Another research was done in a Car Company in Arak and effective human factors on growth of efficiency and productivity were examined in this research. The priority of effective factors on productivity from personnel's view was monthly income, Job enrichment, work participation, and education and work life quality. The analysis of personnel productivity in Iran Poly Acril Company showed that there is a positive relation between promotion, reward and punishment system with personnel productivity (Ataee, 2020).

Materials and Methods

Statistical society of this research is Islamic Azad University of Rasht, the sample involve 48 persons of scientific board and 94 persons of university personnel. The necessary data for this research was collected through questionnaire, official documents and financial statements during 5 years.

The questionnaire was made by researchers; then modified by proficients and used after final approval. In order to examine the validity of questionnaire, 30 questionnaires were distributed among scientific board members and several classes of personnel and after statistical researches, it is recognized that the validity of questionnaire is 89 percent. The number of questions is as follows:

Table 1- The number of questions relates to each of variables.

| Salary and Wage | Welfare services | Reward and Punishment |
|-----------------|------------------|-----------------------|
| 1-9 | 10-16 | 17-22 |

In this research, descriptive-investigative and correlation method were used. In order to measure the effectiveness of salary, welfare services, reward and punishment on human resources productivity, descriptive investigative method was used and in order to examine the relation of wage, fixed salary and job allowance (which are collected from real data in a five years period) with human resources productivity, the correlation method was used.

Findings

The comparison of average of wage, welfare services, reward and punishment points with the average of each question for scientific board members and university personnel (Rasht branch) shows that (the observed t from critical amount in table is more than 5% error, so the above factors are effective on human resources productivity and all the three hypothesis are approved.

Table 2- Correlation Coefficient between Human Resources Productivity with Fixed Salary, Specialized allowance, attraction allowance and wage (Scientific board members).

| Human Resources Productivity | Fixed Salary | Specialized Allowance | Attraction Allowance | Wage |
|------------------------------|--------------|-----------------------|----------------------|---------|
| | r=0/385 | r=0/730 | r=0/248 | r=0/851 |
| | P=0/522 | P=0/761 | P=0/686 | P=0/068 |
| | N=4 | N=4 | N=4 | N=4 |

Based on the findings of table (2), the correlation coefficient between human resources productivity with above factors at $P \leq 0/05$ level was not meaningful, but the relation between human resources productivity with specialized allowance and wage is strong however because of few amounts of sample, it is not meaningful.

Table 3 – Correlation Coefficient between human resources Productivity with fixed salary, bonus, overtime work, Job allowance and wage (Islamic Azad University Personnel).

| Human Resources Productivity | Fixed Salary | Bonus | Overtime work | Jub allowance | Wage |
|------------------------------|--------------|---------|---------------|---------------|---------|
| | r=0/146 | r=0/217 | r=0/962 | R=0/766 | R=0/694 |
| | P=0/814 | P=0/726 | P=0/009 | P=0/131 | P=0/194 |
| | N=5 | N=5 | N=5 | N=5 | N=5 |

Based on the findings of table (3), the correlation coefficient between human resources productivity with fixed salary, bonus, job allowance and wage at $P \leq 0/05$ level is not meaningful but this coefficient between human resources productivity and overtime work is meaningful. The relation between human resources Productivity with job allowance and wage is strong but because of the few amounts of sample is not meaningful.

Discussion and Results

The results of questionnaire and real data are as bellows:

Analyzing the data about first hypotheses shows that the effect of salary and wage on human resources productivity is high, so this hypothesis is accepted. This result 1 coordinates with other researches (Ganjawar, 2015, Ataee, 2020). The analysis of second hypotheses shows that on the view of scientific board members the effect of welfare services on human resources Productivity is relatively high and from the personnel’s view this effect is high; therefore this hypothesis was accepted. The analysis of third hypotheses shows that from the scientific board members and university personnel (Rasht branch) view the effect of reward and punishment and human resources Productivity is high, so this hypothesis was accepted. This result coordinates with other researches (Alavi, 2019; Ataee, 2020).

Analysis of real data about scientific board members of Islamic Azad University (Rasht branch) shows that the correlation coefficient between human resources productivity with fixed salary, specialized allowance, attraction allowance and wage at $P \leq 0/05$ was not meaningful but the relation between human resources productivity with specialized allowance and wage was positive. About university personnel, the correlation coefficient between human resources productivity with fixed salary, bonus, job allowance and wage at $P \leq 0/05$ was not meaningful but this coefficient between human resources productivity and overtime work was meaningful. The relation between human resources productivity with job allowance and wage is strong.

Totally the results of this research shows that there is a positive relation between wage and human resources productivity, but the results of scientific board and personnel opinions is clearer and more highlighted than the results of analyzing the data related to documents and Financial statements. This matter shows that there isn’t a suitable coordination between salary and wage system with productivity system, so for better resulting it is necessary that organizations make a sensible and scientific coordination between these two systems. According to the results, it is suggested to determine the wage and its yearly increases based on human resources Performance and it is better to consider group performance besides personnel performance; in order to execute the suggestions, it is necessary to establish a flexible salary and wage system.

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