
A STUDY ON COMPREHENSIVE ANALYSIS OF PAYROLL SYSTEMS: ENHANCING EFFICIENCY AND COMPLIANCE IN EMPLOYEE COMPENSATION MANAGEMENT WITH REFERENCE TO ICICI BANK

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ABSTRACT

A company's pay structure is influenced by several variables, including labor market conditions, the company's ability to pay, and regulatory requirements. Wages are defined differently in each of India's statutes, however basic pay and dearness allowance are always included in the wage category. Wages are defined as include paid time off, holidays, overtime, bonuses, and good behavior bonuses under the Workmen's Pay Roll Act of 1923. Any settlement or production bonus awards that are paid out are considered wages under section 2(vi) of the Payments of Wages Act of 1936.

Retrenchment Pay Roll payments made in lieu of notices and gratuity received upon discharge are considered wages under the Payment of Wages Act of 1948. Wages plus other periodic payments, such as holiday pay, overtime pay, bonus social security benefits, etc., are together referred to as allowances. the advantages of the pay scale, etc. The following provide a general framework for analyzing the Indian pay system: It is in line with the recommendations made by the Fair pay committee (1948) and the 15th Indian Labor conference (1957) that the minimum wage in India is set. Wage tribunal and wage board awards, pay commission findings, and work evaluations all play a role in setting the minimum wage.

As a token of appreciation for their hard work and dedication, workers get a paycheck. Employees often volunteer their services in exchange for various forms of compensation. Base wages and salaries are what are often referred to as "pay" in the context of employees. Motivating workers to go above and above is the goal of various pay roll types including commissions, bonuses, and profit sharing schemes. Among the more oblique forms of pay roll are benefits including health, recreational, retirement, and insurance. Therefore, the phrase "Pay Roll" encompasses not just salary but also any bonuses or other perks that a company may provide in exchange for an employee's services. Managers also have a responsibility to ensure their workers' physical and financial safety by adhering to all applicable regulatory requirements. In the pursuit of a productive staff, all these factors are significant for every HR department.

Base pay, variable compensation, and perks are all ways in which an employer might contribute to an employee's pay roll.

The term "base pay" refers to an employee's regular income, whether in the form of a wage or salary.



1. INTRODUCTION:

Torrington and Hall (1987) define personnel management as being:

"a series of activities which: first enable working people and their employing organisations to agree about the objectives and nature of their working relationship and, secondly, ensures that the agreement is fulfilled"

While Miller (1987) suggests that HRM relates to:

".....those decisions and actions which concern the management of employees at all levels in the business and which are related to the implementation of strategies directed towards creating and sustaining competitive advantage"

Pay roll:

In a company, **payroll** is the sum of all financial records of salaries for an employee, wages, bonuses and deductions. In accounting, payroll refers to the amount paid to employees for services they provided during a certain period of time. Payroll plays a major role in a company for several reasons. From an accounting point of view, payroll is crucial because payroll and payroll taxes considerably affect the net income of most companies and they are subject to laws and regulations (e.g. in the U.S. payroll is subject to federal and state regulations). From ethics in business viewpoint payroll is a critical department as employees are responsive to payroll errors and irregularities: good employee morale requires payroll to be paid timely and accurately. The primary mission of the payroll department is to ensure that all employees are paid accurately and timely with the correct withholdings and deductions, and to ensure the withholdings and deductions are remitted in a timely manner. This includes salary payments, tax withholdings, and deductions from a paycheck.

Pay Check

A Pay Check is traditionally a paper document issued by an employer to pay an employee for services rendered. In recent times, the physical paycheck has been increasingly replaced by electronic direct deposit to bank accounts. Such employees may still receive a complete pay slip (see below) package, but the attached check is noted as non-negotiable.

In most countries with a developed wire transfer system, using a physical check for paying wages and salaries has been uncommon for the past several decades. However, vocabulary referring to the figurative "pay cheque" does exist in some languages, like German (*Gehaltsscheck*), partially due to the influence of popular media, but this commonly refers to a payslip or stub rather than an actual cheque. Some company payrolls have eliminated both the paper cheque and stub, in which case an electronic image of the stub is available on an Internet website.

Payroll taxes

Government agencies at various levels require employers to withhold income taxes from employees' wages.

In the United States, "payroll taxes" are separate from income taxes, although they are levied on employers in proportion to salary; the programs they fund include Social Security, and Medicare. U.S. income and payroll taxes collected through deductions are considered to be trust fund taxes, because the employer holds the deducted money in trust for later remittance.

Human Resource Management: Objectives

- On an average, every employee at Nutrient undergoes at least 2 training programmers for a financial year and the employer in HRD requires the executive development programmed at the time of intensive competition.
- So the study is aimed to know the adequacy of training given to employees and employers.
- To know whether employees and employers are having enthusiasm in knowing about training and development programmers, training plans, implementation and participation.
- To suggest appropriate techniques and modification in training to achieve corporate goals.

Development to employers arises due to providing technical skills and conceptual skills to non-technical managers and managerial skills and conceptual skills to technical managers.

Need for basic purposes of Employee Payroll:

Employee Payroll of the employees is important if the employees are satisfied then only the organization can function smoothly increases its production, faces competition.

If employees are satisfied with their job they will carry a positive attitude. Hence the study has been undertaken to assess the employee job Payroll which is necessary for the organization in order to make sound decisions.

- 1) To increase productivity.
- 2) To improve quality.
- 3) To help a company fulfill its future personnel needs.
- 4) To improve organizational climate.
- 5) To improve health & safety.
- 6) Obsolescence prevention.
- 7) Personal growth.

2. SCOPE OF THE STUDY

One of the main functions of personnel management in industrial organization is to impart programmers to its employees.

HRM plays a large part in determining the effectiveness and efficiency of the establishment. Increase in productivity is possible only when there is an increase in quantity of output. It applies not only to new employees but also to experienced people. It can help employees and employers to increase their level of performance and to develop skills, knowledge on their present job assignments.

3. Objectives of Employee Payroll

- To Analyze the Pay roll System in company.
- To ensure effective utilization and maximum development of Employee.
- To ensure reconciliation of individual goals with those of the organization.
- To achieve and maintain high morale among employees.
- To increase to the fullest the employee's job satisfaction and self-actualization.
- To develop and maintain a quality of work life.
- To develop overall personality of each employee in its multidimensional aspect.
- To enhance employee's capabilities to perform the present job.

4. RESEARCH METHODOLOGY

Research is scientific and systematic search pertinent information in a specific topic. The meaning of research is “A Careful Investigation (or) Inquiry.

EMPLOYEE PAYROLL is the corner stone of sound management, and it makes employees and employers more effective and productive. It is actively and intimately connected with all personnel and managerial activities.

There is a present need for EMPLOYEE PAYROLL measures. So that new and changed techniques may be taken advantage and improvements effected in new methods, which are woefully inefficient. Training is practical and of vital necessity because, apart from other advantages mentioned, and increase their “Market Value”, earning power job secure is spending for EMPLOYEE PAYROLL activities. It is introducing global concepts like

- Team Building
- Time Management

It uses all the technology available and modern equipment in EMPLOYEE PAYROLL programmers. In a contemporary study, it was revealed that it is more inflammable so the workers and superiors must concentrate on the work what they are doing. At any time if they don't concentrate on their work it is very dangerous to the whole industry.

RESEARCH METHODOLOGY

The methodology that is adopted for the study is such that it facilities the data accumulation. The information is gathered through survey method. The survey method has been adopted for collecting the data from employees.

❖ RESEARCH DESIGN:

Research Design is defined as the specification of methods and procedures for acquiring the information needed. Generally the research design is any of the following three types-DESCRIPTIVE, EXPLORATORY and CASUAL.

❖ DESCRIPTIVE STUDY:

Descriptive study/research is marked by the prior formulations of specific research questions. The investigator already knows a substantial amount about the research problem before the project is initiated. Hence this is chosen for my research.

❖ EXPLORATORY STUDY:

The major purpose of exploratory study is the identification of problem, the more precision formulation of problem and the formulation of new alternative courses of action.

❖ CASUAL STUDY:

The study involves the determination of the causes of what the researchers are predicting. this is mainly a cause and effect study. The research design selected by the researcher in the present study is “DESCRIPTIVE” in nature.

❖ RESEARCH INSTRUMENT:

HR research has a one main research instruments in collecting primary data. That is questionnaires.

In order to extract first hand information from the respondents, a pre-tested questionnaire was prepared and the same was administered to the respondents.

❖ DATA SOURCES:

Data means a collection of facts in real life statistical data is a collection of facts in numerical figures. The data sources are usually identified using the type of data needed. There are two types of data.

1. Primary data
2. Secondary data

❖ PRIMARY DATA:

The first hand information by the investigator by means of observation face to face questioning, telephone interview and mailing questionnaire is called primary data.

Primary data consists of original information gathered for a specific purpose.

❖ **SOURCES OF PRIMARY DATA:-**

For the purpose of present study, the primary data collected from respondents by contacting them personally.

❖ **SECONDARY DATA:**

Secondary data consists of information that already exists somewhere, having been collected for another purpose

❖ **SOURCES OF SECONDARY DATA:**

For the purpose of present study, the secondary data was collected from published data of the companies. Population is the aggregate of objects animate and in animate, under study in any statistical investigation. His population for the study here was employees in Met life.

SAMPLING PROCEDURE

With a view to arrive at the sample population for the study, a "Purposive-Cum convenient sampling" was followed.

SAMPLE SIZE

The sample size includes 100 employees who are working in the **company**

5. LIMITATIONS

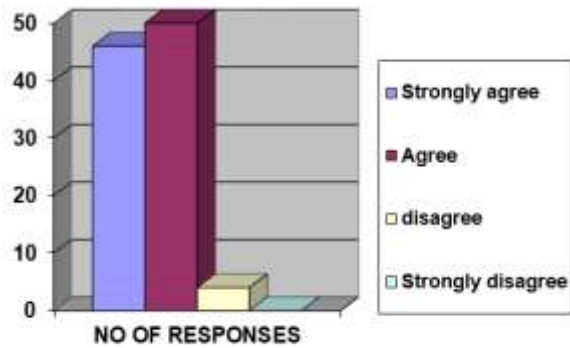
The study is limited to the policies and practices being followed in **company** get the complete data, in view of its classified nature of the organization.

- ❖ Time factor is the main constraint for the study as it was restricted only to eight-nine weeks.
- ❖ Sampling error is not taken into consideration.
- ❖ The information given by the sample frame is thought accurate by researcher.
- ❖ As the method adopted is Random Sampling, result may not be accurate and believable.
- ❖ As the sample size is 100, whole of the facts could not be collected.
- ❖ The findings of the study are confined only to the question asked in the questionnaire and through personal interviews.

6. Data analysis and interpretation

- 1.** Your organization provides opportunity for growth and security.

OPTIONS	NO OF RESPONSES
Strongly agree	46
Agree	50
Disagree	04
Strongly disagree	0

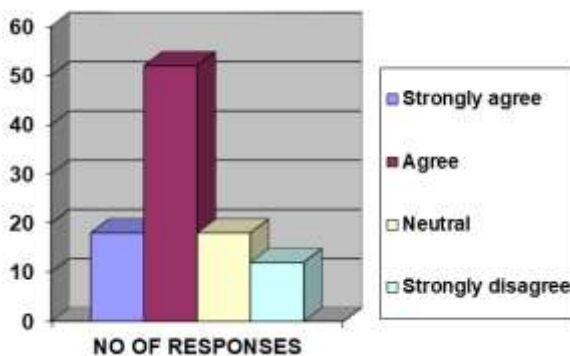


Interpretation:

The survey revealed that most of the employees strongly agree that the company provides opportunity for growth and security and some are disagree about this.

2. Pay and compensation package is adequate and fair in comparison to performance.

OPTIONS	NO OF RESPONSES
Strongly agree	18
Agree	52
Neutral	18
Strongly disagree	12

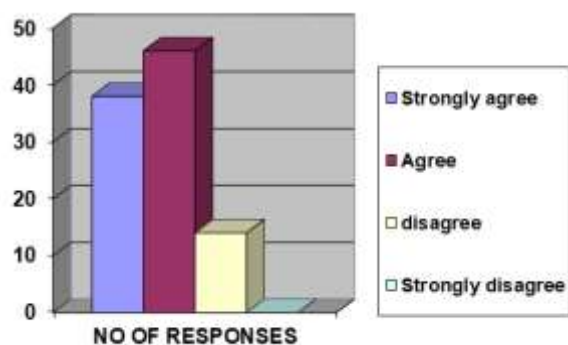


Interpretation:

The survey revealed that most of the employees agree for the reason of their pay and compensation package is adequate and fair in comparison to performance and some are disagree.

3. Medical facilities provided by the organization suites your health needs?

OPTIONS	NO OF RESPONSES
Strongly agree	38
Agree	46
disagree	14
Strongly disagree	0

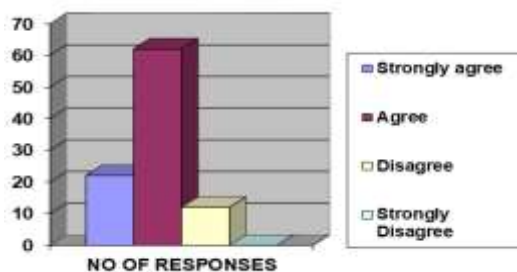


Interpretation:

The survey revealed that most of the employees agree and strongly agree for the reason of the medical facilities provided by the organization which suits their health needs, and few are disagree.

4. Your job allows you to use your skills and abilities.

OPTIONS	NO OF RESPONSES
Strongly agree	22
Agree	62
Disagree	12
Strongly Disagree	0

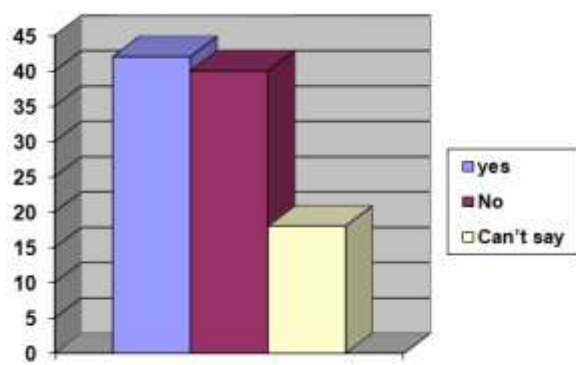


Interpretation:

The survey revealed that most of the employees agree and strongly agree for using their skills and abilities in their job.

5. Promotion policy of your organization ensures planned carrier growth.

OPTIONS	NO OF RESPONSES
Yes	42
No	40
Can't say	18

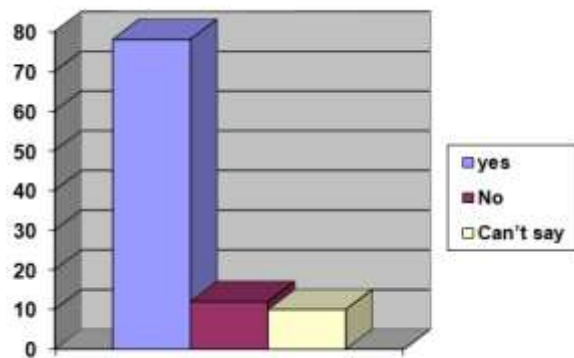


Interpretation:

The survey revealed that most of the employees are satisfied the promotion policy by the organization which ensures planed career growth. But most of the employees are un-satisfied by this policy.

6. Is time worked by non salaried staff adequately recorded and authorized?

OPTIONS	NO OF RESPONSES
Yes	78
No	12
Can't say	10



Interpretation:

The survey revealed that most of the employees are that there is a time worked by non salaried staff adequately recorded and authorized by the organization which ensures planed career growth.

7. CONCLUSION

Building a competitive edge by creating and retaining a large number of employees is the single most important issue in the global business environment. Every organization is therefore tasked with establishing and sustaining its worth to the customer, who has become unpredictable due to competition.

As a result, every company is always trying to ensure that its employees are loyal to them.

To sum up, the issues at hand are the whole company's culture and its brand equity. Because of this constant fight for survival in the marketplace, businesses must regularly do market research to keep up with the ever-evolving demands and preferences of their employees if they want to remain in business.

This aids the organization in rethinking its policies in order to provide employees with state-of-the-art technology, which in turn makes them happy and keeps them around for the long haul.

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