
EMPLOYEES PERCEPTION TOWARDS PAYROLL MANAGEMENT PRACTICES AT RANE GROUP LTD.

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Article Received: 20 February 2026

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Article Revised: 10 March 2026

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Published on: 30 March 2026

DOI: <https://doi-doi.org/101555/ijrpa.4351>

ABSTRACT

Payroll management is a crucial component of organizational operations as it directly influences employee satisfaction, trust, and overall efficiency. However, ineffective payroll practices such as errors, delays, and lack of transparency can negatively impact employee morale and organizational performance. This study examines employees' perception towards payroll management practices at Rane Group Ltd., focusing on key aspects such as payroll accuracy, timeliness of salary disbursement, fairness, and transparency. The research adopts a descriptive design with a sample of 106 employees, and statistical tools such as Percentage Analysis, Correlation Analysis, and Regression Analysis were used to analyze the relationship between payroll practices and employees' perception of the payroll system. The findings reveal that employees generally have a positive perception of payroll practices, particularly in terms of timely salary payments and overall payroll processes. Correlation results indicate a significant positive relationship between payroll policy communication and employees' perception of payroll fairness, while regression results show no significant impact of payroll accuracy factors on overall payroll satisfaction. The study concludes that effective payroll management practices contribute to employee confidence and organizational stability, and continuous improvement in payroll transparency, communication, and accuracy is essential to enhance employee satisfaction and overall payroll system effectiveness.

KEYWORDS USED: Payroll Management, Employee Perception, Payroll Accuracy, Salary Disbursement, Payroll Transparency

INTRODUCTION

Payroll management is a fundamental administrative function in every organization as it directly influences employees' compensation, satisfaction, and overall job performance. An effective payroll system ensures accurate salary calculation, timely disbursement of wages, proper handling of deductions, and transparency in payroll-related processes. Efficient payroll management not only helps in maintaining employee trust and motivation but also contributes to organizational stability and operational efficiency. On the other hand, errors, delays, or lack of clarity in payroll practices can lead to dissatisfaction, reduced productivity, and negative employee perceptions.

In large organizations, payroll management becomes more complex due to the involvement of a diverse workforce and multiple salary components. Therefore, it is essential to understand employees' perception of payroll practices to evaluate the effectiveness of the system. Employees' views on payroll accuracy, timeliness, fairness, and transparency provide valuable insights into the strengths and weaknesses of payroll management within the organization.

Rane Group Ltd., a well-established automotive component manufacturing company headquartered in Chennai, follows structured payroll practices as part of its employee administration system. This study focuses on examining employees' perception towards payroll management practices at Rane Group, with the objective of assessing payroll accuracy, timeliness of salary disbursement, fairness, transparency, and overall effectiveness of the payroll system. The findings of the study are expected to help in identifying areas for improvement and enhancing payroll efficiency to ensure higher levels of employee satisfaction.

OBJECTIVES OF THE STUDY

- To assess the accuracy of payroll practices.
- To examine employees' satisfaction on timely payment of salary.
- To identify the fairness and transparency in payroll practices and components.
- To know the overall effectiveness of the payroll system.

REVIEW OF LITERATURE

Rao & Singh (2024) concluded that effective payroll management practices positively influence employee motivation and organizational performance. Their study emphasized that timely and accurate salary payments build trust among employees. It was observed that efficient payroll systems reduce dissatisfaction and improve employee engagement.

Khan & Ali (2023) examined the role of payroll automation in improving organizational efficiency. Their study found that automated payroll systems reduce errors and improve the speed of payroll processing.

Reddy & Kumar (2022) emphasized the importance of automation in payroll management systems. Their study found that the adoption of digital payroll systems significantly reduces manual errors and improves efficiency. The research highlighted that automated payroll systems ensure accuracy, transparency, and faster processing of salary payments.

Kaur & Sharma (2021) found that accurate and timely payroll practices have a direct impact on employee satisfaction and organizational trust. Their research emphasized that delays in salary payments or inaccuracies in payroll calculations can lead to dissatisfaction among employees.

Gupta & Mehta (2020) stated that efficient payroll management plays a vital role in supporting financial planning and maintaining effective cost control within organizations. Their study highlighted that payroll systems form a significant part of organizational expenditure and require proper monitoring and control.

RESEARCH METHODOLOGY

The study adopts a descriptive research design to examine employees' perception towards payroll management practices at Rane Group Ltd. The descriptive approach is suitable as it helps in understanding and analyzing the existing conditions, opinions, and attitudes of employees regarding payroll accuracy, timeliness, fairness, transparency, and overall system effectiveness. The study focuses on identifying patterns and relationships between payroll practices and employee satisfaction without manipulating any variables.

The research is based on a sample of 106 employees selected using a convenience sampling technique. Data collected from the respondents were analyzed using statistical tools such as Percentage Analysis, Correlation Analysis, and Regression Analysis. These tools helped in summarizing the data, identifying relationships between variables, and measuring the impact of payroll factors on employee satisfaction. The results were interpreted to draw meaningful conclusions about the effectiveness of payroll management practices in the organization.

PRIMARY DATA

Primary data was collected directly from employees of Rane Group through a structured questionnaire. The questionnaire was designed using a Likert scale to capture employees' opinions on various aspects of payroll management such as salary accuracy, timely payment, fairness, transparency, and issue resolution. This method ensured that first-hand and relevant information was obtained for the study.

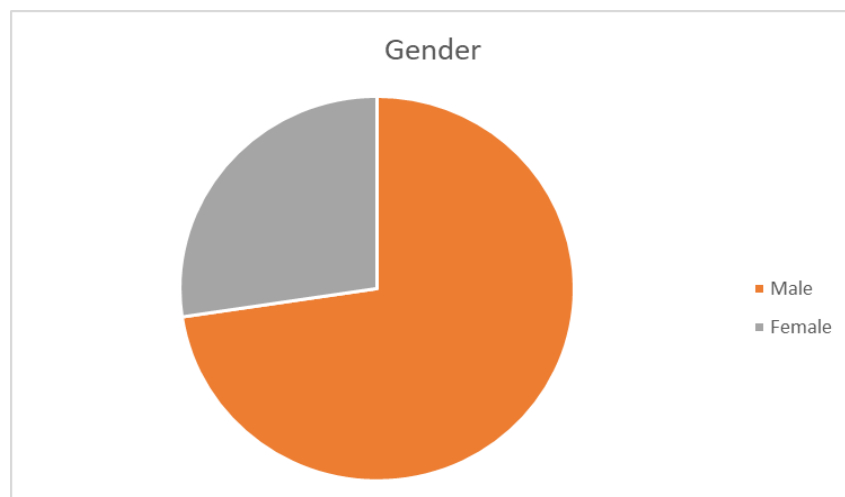
SECONDARY DATA

Secondary data was collected from various sources such as journals, research articles, company reports, and online publications related to payroll management and employee satisfaction. These sources helped in gaining a deeper understanding of the concepts, supporting the research framework, and providing a theoretical base for the study.

DATA ANALYSIS AND INTERPRETATION PERCENTAGE ANALYSIS

Percentage analysis is a simple yet effective statistical tool used to understand the distribution and proportion of responses within a dataset. In this study, percentage analysis is applied to interpret the demographic profile of respondents and their opinions on various aspects of payroll management practices. It helps in converting raw data into meaningful insights by showing how much each response contributes to the total. Through this method, factors such as gender, department, years of experience, salary accuracy, timeliness of salary disbursement, and payroll transparency are represented in percentage form. This enables a clearer comparison among different categories of respondents and highlights overall trends in employees' perception towards payroll management practices at Rane Group Ltd

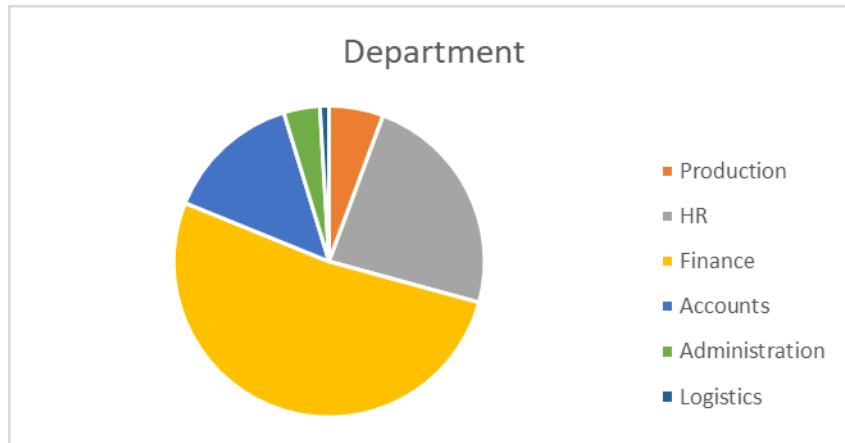
PERCENTAGE ANALYSIS FOR GENDER



INFERENCE

The table shows that out of 106 respondents, 72.6% are male and 27.4% are female. This indicates that the majority of respondents in the study are male employees.

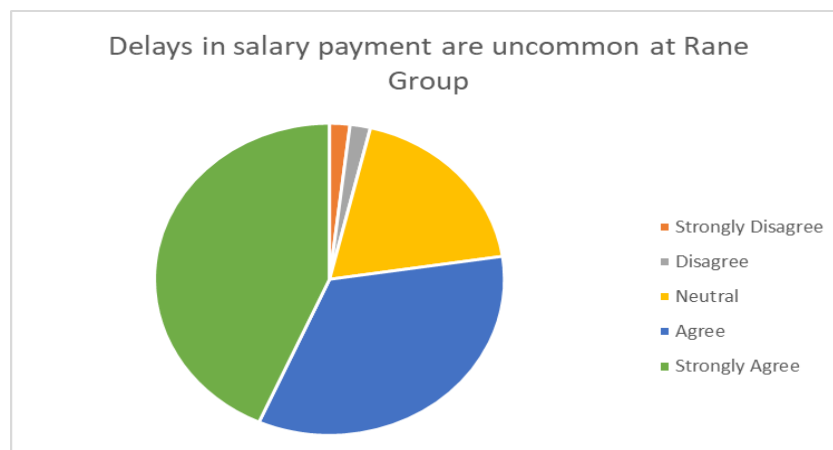
PERCENTAGE ANALYSIS FOR DEPARTMENT



INFERENCE

The results show that 51.9% of respondents belong to the Finance department, followed by 23.6% from HR, 14.2% from Accounts, 5.7% from Production, 3.8% from Administration, and 0.9% from Logistics. This indicates that most respondents are from the Finance department

PERCENTAGE ANALYSIS FOR DELAYS IN SALARY PAYMENT



INFERENCE

The results show that 43.4% strongly agree and 34.0% agree that delays in salary payment are uncommon at Rane Group. 18.9% are neutral, while only 1.9% disagree and 1.9%

strongly disagree. This indicates that the majority of employees believe salary payments are made on time.

CORRELATION ANALYSIS

Correlation analysis is used to examine the relationship between employees’ department and their satisfaction with the timeliness of salary disbursement. In this study, Pearson correlation is applied to determine whether there is any significant association between these variables. The analysis helps in understanding whether employees from different departments have varying perceptions regarding salary timeliness. The significance value is used to test the hypothesis and identify whether the relationship is statistically meaningful. This provides insights into whether departmental differences influence employees’ satisfaction levels

H₀ (Null Hypothesis): There is no significant relationship between employees’ department and their satisfaction with the timeliness of salary disbursement

H₁ (Alternative Hypothesis): There is a significant relationship between employees’ department and their satisfaction with the timeliness of salary disbursement.

Correlations

		Department	I am satisfied with the timeliness of salary disbursement
Department	Pearson Correlation	1	-.127
	Sig. (2-tailed)		.194
	N	106	106
I am satisfied with the timeliness of salary disbursement	Pearson Correlation	-.127	1
	Sig. (2-tailed)	.194	
	N	106	106

INTERPRETATION

- The correlation results show a Pearson correlation value of -0.127 and a significance (p) value of 0.194, which is greater than 0.05.

Hence, we accept the null hypothesis (H₀) and reject the alternative hypothesis (H₁).

- This means that there is no significant relationship between department and employees’ satisfaction with the timeliness of salary disbursement, indicating that employees across different departments have similar views regarding salary timeliness.

REGRESSION ANALYSIS

Regression analysis is a statistical technique used to examine the impact of independent variables on a dependent variable and to understand the strength and significance of their relationship. In this study, regression analysis is applied to evaluate how payroll accuracy factors such as errors in salary payment, payroll deductions, and timeliness of salary credit influence employees' overall satisfaction with the payroll system. The analysis helps in determining whether these factors significantly affect employee satisfaction by examining the significance (p-values) of each variable. This method provides a clear understanding of the extent to which payroll-related factors contribute to overall payroll satisfaction at Rane Group Ltd.

H₀ (Null Hypothesis)

Payroll accuracy factors do not have a significant impact on employees' overall satisfaction with the payroll system.

H₁ (Alternative Hypothesis)

Payroll accuracy factors have a significant impact on employees' overall satisfaction with the payroll system.

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	3.108	.664		4.678	<.001		
	I rarely experience errors in my salary payment	.100	.081	.122	1.233	.220	.963	1.038
	Payroll deductions (if any) are calculated correctly	-.036	.095	-.037	-.380	.705	.997	1.003
	Salaries are credited on time at Rane Group	.160	.085	.185	1.870	.064	.961	1.040

a. Dependent Variable: I am satisfied with the overall payroll system at Rane Group

INTERPRETATION

- The regression results show that the significance values for the independent variables such as errors in salary payment ($p = 0.220$), payroll deductions accuracy ($p = 0.705$), and timely salary credit ($p = 0.064$) are all greater than 0.05. Hence, we accept the null hypothesis (H_0) and reject the alternative hypothesis (H_1).
- This means that factors such as payroll accuracy, correctness of deductions, and timeliness of salary credit do not have a statistically significant impact on overall payroll satisfaction, indicating that employees' satisfaction is not strongly influenced by these individual factors.

CORRELATION ANALYSIS

H₀ (Null Hypothesis): There is no significant relationship between payroll policy communication and employees' perception of payroll fairness at Rane Group.

H₁ (Alternative Hypothesis): There is a significant relationship between payroll policy communication and employees' perception of payroll fairness at Rane Group.

Correlations			
		I feel the payroll system at Rane Group is fair	Payroll policies are clearly communicated to employees
I feel the payroll system at Rane Group is fair	Pearson Correlation	1	.706 ^{***}
	Sig. (2-tailed)		<.001
	N	106	106
Payroll policies are clearly communicated to employees	Pearson Correlation	.706 ^{***}	1
	Sig. (2-tailed)	<.001	
	N	106	106

***. Correlation at 0.001 (2-tailed)

INTERPRETATION

- The correlation results show a Pearson correlation value of 0.706 with a significance value of < 0.001, which is less than 0.05. Hence, we reject the null hypothesis (H₀) and accept the alternative hypothesis (H₁).
- This indicates a strong positive and significant relationship between payroll policy communication and employees' perception of payroll fairness.

FINDINGS OF THE STUDY

1. Payroll Accuracy

The study reveals that a majority of employees perceive salary calculations to be accurate. Most respondents agree that errors in salary payments are minimal. This indicates that the organization maintains a reliable payroll system. Overall, payroll accuracy contributes positively to employee trust.

2. Timeliness of Salary Disbursement

The findings show that most employees are satisfied with the timely credit of salaries. Delays in salary payment are reported to be uncommon. This reflects efficiency in payroll operations. Timely disbursement enhances employee confidence and satisfaction.

3. Payroll Deductions Accuracy

A significant proportion of employees believe that payroll deductions are calculated correctly. Very few respondents expressed dissatisfaction regarding deductions. This indicates transparency and correctness in deduction practices. Accurate deductions help in building trust among employees.

4. Payroll Communication

The study highlights that payroll policies are clearly communicated to employees. A large majority agree that communication is effective and understandable. This reduces confusion regarding salary components. Effective communication plays a key role in shaping positive perceptions.

5. Payroll Fairness and Transparency

The results indicate that employees strongly perceive the payroll system as fair and transparent. Most respondents agree that payroll processes are clearly structured and unbiased. This reflects a high level of organizational integrity. Fairness and transparency enhance employee satisfaction.

SUGGESTIONS OF THE STUDY

1. Improve Payroll Communication

The organization should continue strengthening payroll communication to ensure complete clarity among employees. Regular updates regarding payroll policies can be shared. Clear communication reduces misunderstandings. This will further enhance employees' perception of fairness.

2. Enhance Transparency

Providing detailed salary breakdowns and explanations for deductions can improve transparency. Employees should have easy access to payroll-related information. This will increase trust in the system. Transparency helps in reducing neutral responses.

3. Conduct Regular Payroll Audits

Regular audits should be conducted to maintain accuracy and identify potential errors. This ensures continuous improvement in payroll processes. Audits help in maintaining compliance with standards. It also enhances system reliability.

4. Strengthen Issue Resolution Mechanism

The organization should ensure quick and efficient resolution of payroll-related issues. A dedicated support system can be introduced for employee queries. Prompt resolution improves satisfaction levels. This will build confidence in payroll management.

5. Implement Advanced Payroll Systems

The company can adopt advanced payroll software to improve efficiency and reduce manual errors. Automation enhances speed and accuracy of payroll processing. It also reduces administrative workload. This leads to better system performance.

CONCLUSION

The study on employees' perception towards payroll management practices at Rane Group Ltd. highlights that payroll management plays a crucial role in influencing employee satisfaction, trust, and organizational efficiency. The findings indicate that most employees have a positive perception of payroll practices, particularly in terms of salary accuracy, timely disbursement, and overall system effectiveness. These factors contribute significantly to building employee confidence and ensuring smooth organizational operations.

The statistical analysis further reveals that there is a strong positive relationship between payroll policy communication and employees' perception of payroll fairness. This emphasizes the importance of clear and transparent communication in payroll practices. However, regression results indicate that individual payroll factors do not have a significant impact on overall satisfaction, suggesting that employee satisfaction is influenced by a combination of multiple factors rather than a single aspect.

Overall, the study concludes that the payroll system at Rane Group Ltd. is efficient, reliable, and well-structured. While the organization demonstrates strong performance in payroll management, continuous improvement in communication, transparency, and employee awareness can further enhance the effectiveness of the system. By maintaining accurate, timely, and transparent payroll practices, the organization can improve employee satisfaction and ensure long-term organizational success.

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