

Section - 5

Q. 8 -> Define the term employee compensation. What are the factors that influence the compensation level

Ans -> Employee Compensation :- Compensation of employee is a statistical term used in national accounts, balance of payments statistics and sometimes in corporate accounts as well. It refers basically to the total gross wages paid by employers to employees for work done in an accounting period, such as a quarter or a year.

There are the following factors

- ① Ratio of demand and supply
- ② Ability to bargain
- ③ Cost of living
- ④ Type of Market
- ⑤ Comparative wages

- ⑥ Ability to pay
- ⑦ Employment skills

