

- Highest degree of economic stability consistent with an optimum rate of economic progress
- Maximum economic security for all sections of the community
- The major objectives of the policy must be aimed at attaining these conditions.

Social Objectives:

A given salary structure must be instrumental in achieving:

- The elimination of exceptionally low wages
- The establishment of fair labor standards
- The protection of wage earners from the effects of rising prices
- The incentive for workers to improve their productive performance

The social and economic objectives, no doubt are closely interrelated. Measures inspired by social considerations inevitably have economic effects and those designed to achieve specific economic results have social implications.

For example, raising of salary structure through fixing a statutory minimum wage will affect production and employment in organization, and if you take measures to keep costs of production at a competitive level, it may frustrate the aspirations of your employees.

Keeping the above facts in mind, it is essential that salary structure should be necessarily inter-related with broader economic decisions on the one hand, and with the goals set for social policy on the other.

Wages, being the price for labor, have to be in harmony with other prices in the system. Hence it becomes necessary to maintain a balance between the objectives of economic development and the principles of a democratic system in the formulation of a wage policy and salary structure.