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Evaluating the Wage Policies in Turkey

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EVALUATING THE WAGE POLICIES IN TURKEY

Abstract

Undoubtedly, Economic uncertainties in global labor markets affect companies' wage policies. The aim of the study is to evaluate the current status of wage policies, a key factor in the Turkish labor market, and to make predictions about the future of wage policies. Qualitative research was employed in the study. Data were collected through semi-structured interviews. Unit of analysis consisted of 20 private sector employees working as human resources specialists or managers. Content analysis was used to analyze the data. Inflation, economic data, and minimum wage changes were found to be influential concerning private sector wage policies in the Turkish labor market. It can be argued that fringe benefits are as effective as wages. Companies seeking to increase employee engagement may be advised to provide fringe benefits. A flexible working model can also be considered in the context of fringe benefits.

Key Words: *Human resource management, Labour market, Wage.*

Jel Codes: J100, J10, J00

TÜRKİYE'DE ÜCRET POLİTİKALARININ DEĞERLENDİRİLMESİ

Öz

Küresel emek piyasalarında yaşanan ekonomik belirsizlikler firmaların ücret politikalarını da kuşkusuz etkilemektedir. Çalışmanın amacı Türkiye emek piyasalarında önemli aktör olan ücret politikalarının mevcut durumlarını değerlendirerek, ücret politikalarının geleceğine dair öngörülerde bulunmaktır. Çalışma da nitel yöntem kullanılmıştır. Araştırma verileri yarı yapılandırılmış görüşme formu ile toplanmıştır. Örneklem özel sektörde insan kaynakları uzmanı veya yöneticisi olarak çalışan 20 özel sektör çalışanıdır. İçerik analizi yöntemi ile veriler analiz edilmiştir. Türkiye emek piyasalarında özel sektör ücret politikalarının belirlenmesinde enflasyonun, ekonomik verilerin, asgari ücret değişikliklerinin etkili olduğu tespit edilmiştir. Sağlanan yan hakların da ücretler kadar etkili olduğu ifade edilebilir. Çalışan bağlılığını yükseltmek isteyen firmaların yan haklar sağlaması önerilebilir. Yan haklar bağlamında esnek çalışma modeli de düşünülebilir.

Anahtar kelimeler: *İnsan kaynakları yönetimi, Emek piyasası, Ücret.*

Jel Kodları: J100, J10, J00

1. INTRODUCTION

The transformation in global labor markets continues in 2025. The rising cost of living since the COVID-19 pandemic, geopolitical conflicts, the climate emergency, and economic downturns are leading to technology-driven global employment shifts in a greater extent. Indeed, while the global economic outlook appears to be stabilizing, global growth forecasts for 2025 have weakened. Although global inflation appears to have been mitigated, it is projected to reach 3.5% by the end of 2025. However, the cost of living remains high worldwide (World Economic Forum, 2025:8). Similarly, in many OECD countries, policymakers are grappling with low productivity growth and rising income inequality. Concurrently, productivity disparities in business performance are widening, with a few high-performing businesses prospering while others are experiencing further decline (OECD, 2021: 5).

It is worth mentioning that the economic uncertainties in global labor markets pressurize formulating companies' wage policies. Indeed, according to a World Economic Forum report, 52% of employers anticipate greater wage increases than current wages between 2025 and 2030, 41% anticipate holding wages steady, and 7% anticipate reducing wages. Globally, real wages, which declined in 2022, increased in 2023. Similarly, real wages in G-20 countries turned positive in 2024. Regionally, real wages increased in Asia, Africa, the Pacific, and Central and West Asia in 2022, whereas they decreased in other regions. Real wage growth turned positive in many regions in 2023. On the other hand, many had to adjust the minimum wage in 2022-2023 due to rising living costs. However, this was not sufficient (ILO, 2024: xiv).

Literature offers a multitude of definitions of wages. Wages are defined as the amount paid in return for the mental and physical effort expended leading to production. Another definition describes them as benefits provided as the price of labor (Güney, 2014:252). While wages represent income for employees, they represent costs for employers. Due to cost pressures, half of employers consider reorienting their work in response to AI, and two-thirds plan to hire talent with specific AI skills. Furthermore, 40% of employers anticipate reducing their workforce due to the potential for AI to automate tasks (World Economic Forum, 2025:6).

Viewed as costs for employers, wage policies are associated with employee productivity and performance, talents and skills, retention policies, and competitiveness. Wage management policies aim to attract qualified professionals to the organization, motivate and retain employees, and effectively manage costs. In concurrence with this aim, it is crucial that wage policies are perceived as fair by employees (DeCenzo et al., 2017, 248). Employees consider whether they are receiving a fair wage by comparing them with other employees performing similar work, both within the organization and with others fulfilling similar task in the sector (Güney, 2014:253). Another study has revealed that fair, equitable, ethical, and positively perceived wages and rewards are both a source of motivation and contribute to efficient management of change (Sucu, 2020:366).

While companies have varying practices while forging wage policies, they generally determine wages by taking seniority and education into account. Jobs are generally graded using job evaluation methods, and corresponding wage ranges are assigned. While wage levels are periodically calibrated according to competition using wage surveys, wage rigidities help protect employees from fluctuations in the external labor market (Baker et al., 1994: 922). A study concluded that increased transportation and food and beverage services had a positive impact on fringe benefits, leading to increased employee satisfaction and loyalty (Yücesan, 2025:71). A study of employees in the service and manufacturing sectors found that additional payments, such as travel, meals, bonuses, and other allowances, were made in addition to wages. The same study found that some companies implemented hybrid work, where employees work in the office on certain days of the week and work remotely on others (Bozkurt & Uzuner, 2023:36). Another study investigating the impact of rewards, wages, and benefits on organizational commitment and job satisfaction found that rewards directly affect organizational commitment, while wages and benefits do not (Dursun, et al., 2017:938).

No directly addressing research has been found in the literature on wage policies in the Turkish labor market, the subject of this study. Wage studies on the Turkish labor market generally focus on the minimum wage. A Turkish labor market wage study has illustrated that the wage gap is largely due to gender-based discrimination. The same study

found that wage discrimination was highest in the Eastern Marmara, Western Marmara, and Aegean regions, while in the Western Anatolia, Mediterranean, Central Anatolia, and Western Black Sea regions, women's wages increased, with men earning higher wages due to gender discrimination against women (Yalçın et al., 2019,:293). Another quantitative study examining wage and salary management policies and strategies implemented in Turkish businesses, conducted in 2000, found that 86% of Turkey's 100 largest businesses implemented non-traditional wage and salary management criteria (Eren et al., 2000:100). Another study examining the factors affecting the compensation of senior executives in national and international companies in Turkey found that companies generally took local conditions into account, and that the weight of variable pay, fringe benefits, and other benefits within the compensation package did not differ significantly depending on whether the business was international or not (Alayoğlu, 2008: 151). A quantitative study conducted at a company in the logistics sector reveals that the compensation policy was determined with a competitive approach, considering the holding's financial strength and internal balances, that a competency-based performance-based compensation system was implemented, and that the primary factors determining compensation were job evaluation scores, seniority, competencies, and performance based on business objectives (Erdem, 2007:149). A study on the performance-based compensation system in Turkey sheds light on the fact that performance-based compensation positively impacted employee motivation (Yılmaz, 2004:254).

Research on the minimum wage in Turkey has concluded that minimum wage increases generally pursue inflation, failing to adequately meet social objectives such as increased welfare or improved income distribution (İnan et al., 2025:91). According to the fringe benefits trends survey, 77% of employers prioritize actions aimed at improving job engagement, 76% at attracting and retaining key talent, and 73% at improving employee productivity and efficiency. Employers also emphasize the significance of cost; 85% expect high inflation to continue, and 76% expect the weakening economy and business environment to have a significant impact on fringe benefits budgets within two years (wtw, 2023). A 2025 wage survey conducted on human resources employees reveals that wages vary according to sectoral trends, geographical differences, and company size (HRD, 2025:13).

As can be seen, no recent qualitative research on wages for private sector employees is found in the literature. Questions such as how wages are determined, whether they are sufficient under current economic conditions, whether they foster employee loyalty and motivation, and whether fringe benefits are available are crucial for both employees and employers. This study explores these questions. The aim of the study is to evaluate the current state of wage policies, highly significant factors in the Turkish labor market, and to make predictions about the future of wages. The study's theoretical contribution is that it is one of the pioneering studies in the literature on wage policies set under current economic conditions in the Turkish labor market, filling a gap in the current literature. Its practical contribution is to shed light on how companies determine their wage policies.

2.METHOD

This study employed the qualitative research method delving into the subjective experiences, perspectives, and meanings individuals attribute to their social worlds (Lim, 2025:200). Qualitative research involves the use and collection of various empirical materials through case studies, personal experiences, introspection, life stories, interviews, observational, historical, interactional, and visual texts that define routine and problematic moments and their meanings in individuals' lives (Aspers & Corte, 2019: 142).

2.1. Participants

The study participants were 20 individuals working in the private sector as human resources specialists or managers specializing in wage policies. Unit of analysis group was selected using a non-probability-based purposive sampling method, a method chosen when individuals with specific characteristics are sought (Başaran, 2017: 490).

The demographic characteristics of the participants are presented in Table 1. Accordingly, 50% of the participants work as employers and 50% as employees. While 75% of the participants have 16 years or more of working experience, 20% have 11-15 years of experience and 5% have 6-10 years of experience.

Table 1. Participant Characteristics

Participants	Demographic Features	Total
		20
Title	Director	12
	Manager	6
	Expert	2
Experience	11 years and above	16
	1-10 years	4
Staff	1-100	6
	101-500	3
	501 and above	11
Sector	Manufacturing	6
	Retail	4
	Software	3
	Construction	3
	E- commerce	3
	Aviation	1

2.2. Data Collection Tools

Data were collected using a semi-structured interview form. A semi-structured interview form maintains a certain level of structure in the interviews and offers the opportunity to explore the participant's views in more detail. The questions in semi-structured interviews are guiding, allowing participants to provide more explanation and detail, and are most commonly used when the title or subject in question is sensitive or complex (Barahmeh & Bsharat, 2024:356).

The research questions were developed having studies on wages in the literature, and experts were consulted for their opinions in respect to grammar and expertise.

2.3. Data Collection Process

Interviews were conducted with employees one-on-one by phone. The interviews took place in July 2025. Each interview lasted approximately 25-30 minutes.

2.4. Data Analysis

Content analysis is a systematic and methodical approach applied to examine communication content and uncover the underlying messages, themes, and patterns. Content analysis is preferred on account of the fact that it enables in-depth data analysis, increases the validity and reliability of findings through rigorous coding and categorization, is used in multiple disciplines, allows for data to be situated within a broader social, cultural, and historical context, facilitates the development and validation of theories, summarizes and synthesizes large volumes of data, and helps address communication gaps (Sirilakshmi et al., 2024: 84). In content analysis, raw data from verbatim interviews is first summarized by breaking it down into smaller pieces to transform them into categories or themes. Coding is then performed. Codes are organized by category. Categories represent explicit content. Themes

are created to elicit answer for questions such as why, how, in what way, or by what means (Erlingsson & Brysiewicz, 2017:94).

3. FINDINGS

Figure 1 shows participants' opinions on the factors they consider when determining wage policies. All participants stated that inflation, economic data, and minimum wage changes directly impact wage policies. On the other hand, some participants stated that minimum wage increases negatively impacted company wage policies. Manufacturing sector employees stated that they consider economic data and the minimum wage when determining wage policies. Manufacturing, software, and construction sector employees stated that wages are determined based on market and industry conditions. Manufacturing, retail, and aviation sector employees stated that wages are determined based on the nature of the job. Retail sector employees stated that wages are determined based on company strategies and internal wage balances. It was determined that wages are determined in the retail and e-commerce sectors based on data from consulting companies. Software, construction, and e-commerce sector employees stated that wages are determined based on performance. Software and aviation sector employees also stated that they set wages based on experience. Competitors are considered by both construction and e-commerce sector employees when setting wages. Construction sector employees stated that seniority is also taken into account when setting wages. E-commerce sector employees also consider legal regulations when setting wages. Aviation sector employees stated that competence is also taken into account when setting wages.

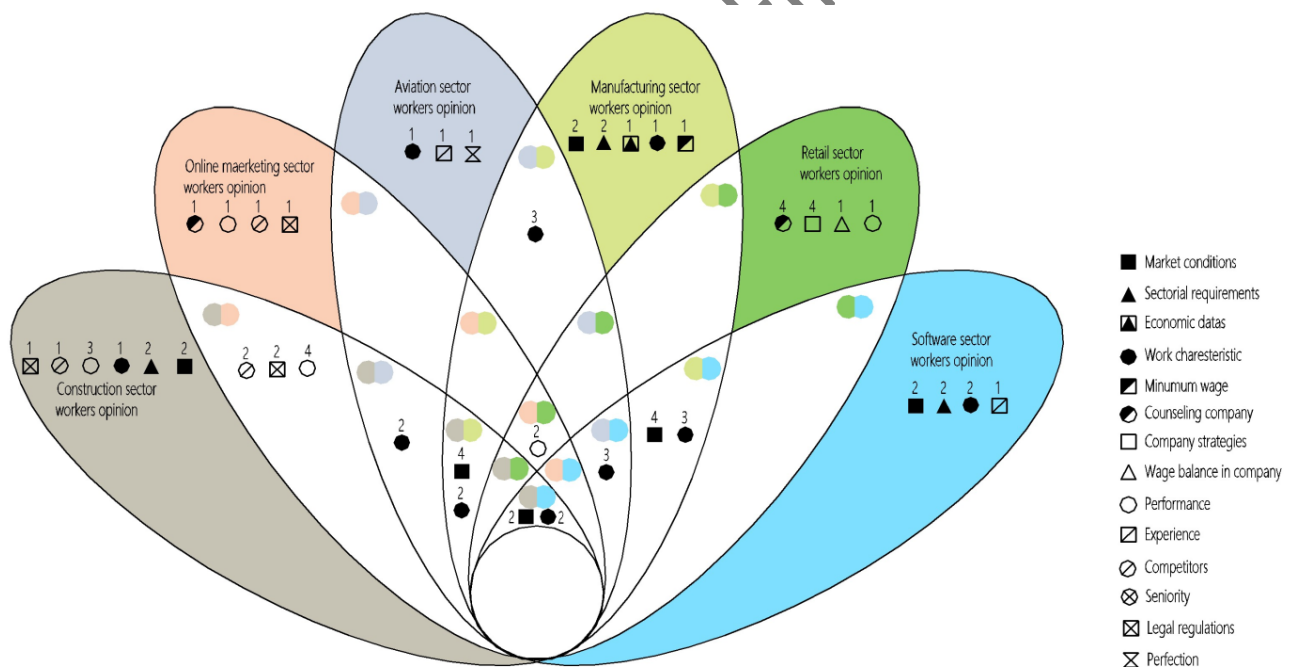


Figure 1. Factors affecting the wage policy factors

Participants' direct statements are as follows:

G1: We aim to increase both motivation and earning potential through offering a flexible and competitive structure.

G2: Departments are allocated a specific budget. They are expected to distribute the workforce in a way that maintains a balanced workforce. A low wage policy has generally been implemented for the last two years.

G3: The consulting firm sets a median salary for positions. This median is compared with market values.

G4: Appropriate salary scales are determined based on the experience, age, seniority, graduation, and competency levels required by the department, and their suitability is measured.

G5: We try not to set wages below inflation. We revise the market average by taking into account competitors.

G6: Inflation and economic fluctuations are the most important factors in determining wages. Annual salary increases are planned based on inflation and dollar exchange rate fluctuations.

G7: The increase in the minimum wage directly affects our wage policies. A minimum wage increase leads to increased labor costs for employers and, when reflected in product and service costs, can further increase inflation.

G8: We set wages by taking into account 80% inflation. Because wages erode when we raise them, we raise them in July.

G10: We determine wage policies and recruit talent based on the business to be established, company strategy, and bringing into stream new products.

G11: It is determined based on the importance of the individual's position and the responsibilities.

Figure 2 shows participants' assessments of their comparisons with competitors' wage policies. Those who reported similar wages to competitors were employees in manufacturing, retail, construction, and e-commerce. Those who reported higher wages than competitors were employees in manufacturing, retail, construction, software, and e-commerce. Those who reported lower wages than competitors were employees in manufacturing, retail, e-commerce, and aviation.

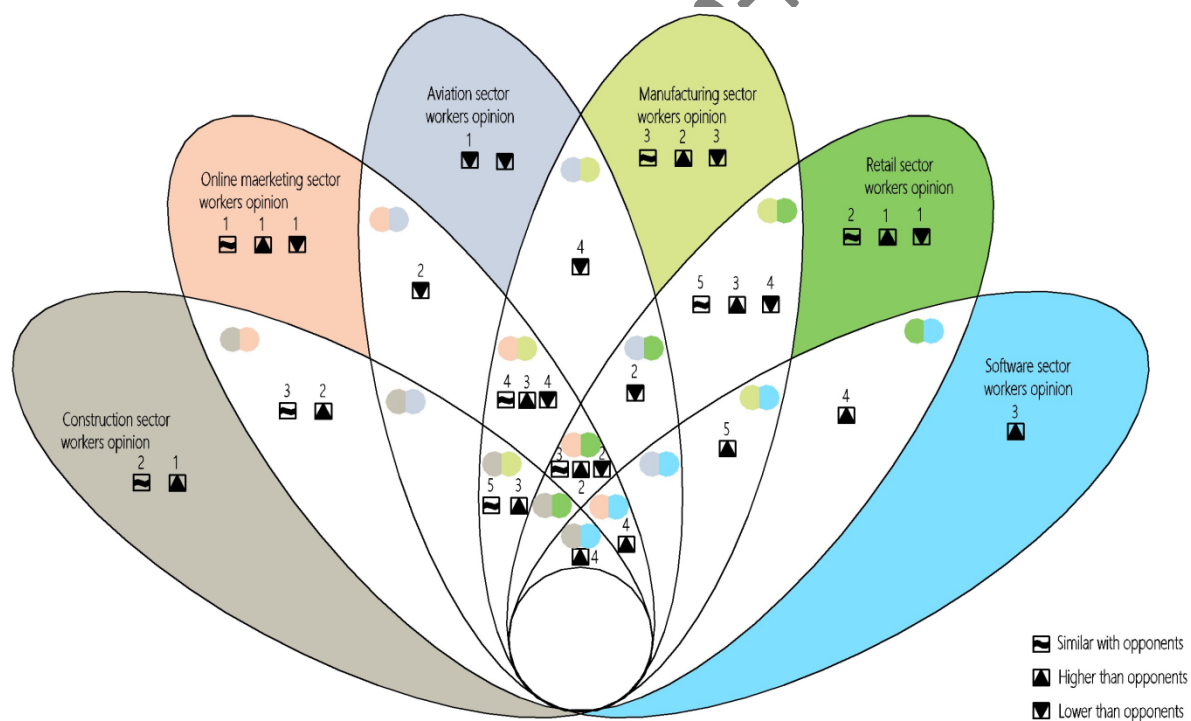


Figure 2: Price evaluation compared to competitors

Participants' direct statements are as follows:

G5: The wage policy is higher in certain positions compared to competitors, but social assistance support remains quite low.

G8: We monitor the median wages offered by competitors. We strive to establish a competitive wage policy. In some positions, it may be less than the competition.

G9: We regularly analyze competitors' wage policies to maintain competitiveness in the sector. Our goal is to ensure that employees receive fair and satisfactory income in this context.

Figure 3 shows participants' views on the relationship between performance evaluation results and compensation. Employees in the manufacturing, retail, software, e-commerce, and aviation sectors stated that performance outcomes are related to wage policies, while employees in the manufacturing and construction sectors stated that performance outcomes are not related to wage policies.

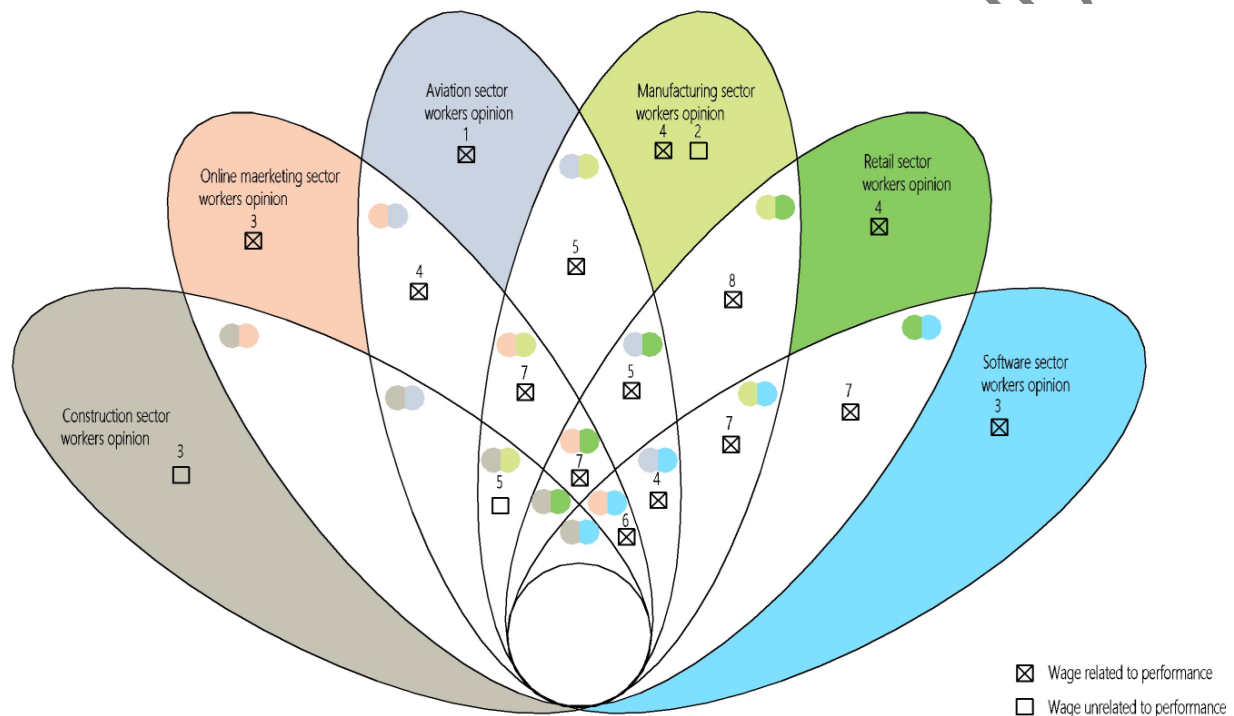


Figure 3: Performance assessment – wage relationship

Participants' direct statements are as follows:

G12: We conduct a 360-degree performance appraisal. We determine wages by considering industry data and company performance indicators.

G13: Performance appraisal results influence wage policies within a 10 percent range.

G15: Performance appraisal systems and wage policies are closely linked. Data is obtained from the production man-hour report to evaluate employees above a certain level, both monthly for reward purposes and as a basis for determining wage levels.

G19: Annual performance target achievements are taken into consideration. We pay accordingly.

Figure 4 shows the participants' views on the reward system. Reward systems exist in both sectors without and those with reward systems. Employees in the manufacturing, software, and aviation sectors stated that additional bonuses are implemented. Bonuses are implemented in the software sector. Reward systems are not found in the manufacturing, retail, software, construction, and e-commerce sectors.

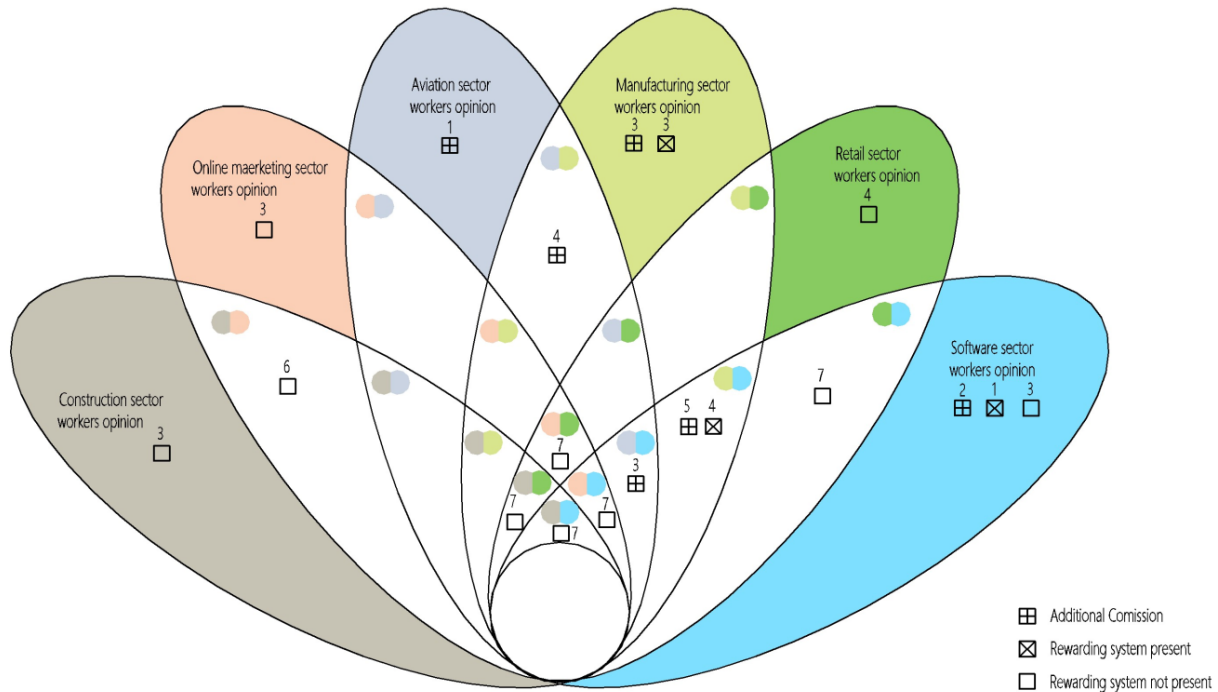


Figure 4. Reward-based practices

Participants' direct statements are as follows:

G2: Motivational events and overseas awards (e.g., a Cyprus vacation for the consultant with the most portfolio revenue).

G3: When a friend is referred, that person is awarded points when they are hired. Those points are used to purchase products.

G4: A suggestion box is available. Training and game workshops are included in our reward programs.

G6: We have a suggestion system. Contributions to the company are evaluated on the reward board, and rewards are given accordingly. We paid a one-month bonus to the slaughterhouse manager for improving the process.

G14: Consultants managing more portfolios and achieving more sales benefit from higher commission rates. As part of the suggestion reward system, we offer additional bonuses and benefits to those who bring in new consultants.

Figure 5 shows participants' opinions on fringe benefits provided beyond salary. Meal allowance is provided in all sectors. Bonuses, training, and career support are provided in the manufacturing and construction sectors. Travel and clothing allowance is available in the manufacturing and retail sectors. Private health insurance is applied in the manufacturing, retail, software, e-commerce, and aviation sectors. Marriage aid is only available in the manufacturing sector. Rent support is only available in the manufacturing sector. Share aid is available in the retail and e-commerce sectors. Gifts for special occasions are available in the software and e-commerce sectors. Gifts from partner institutions are only available in the software sector. Marketing and advertising, technological infrastructure and office support, and motivational support are only available in the construction sector.

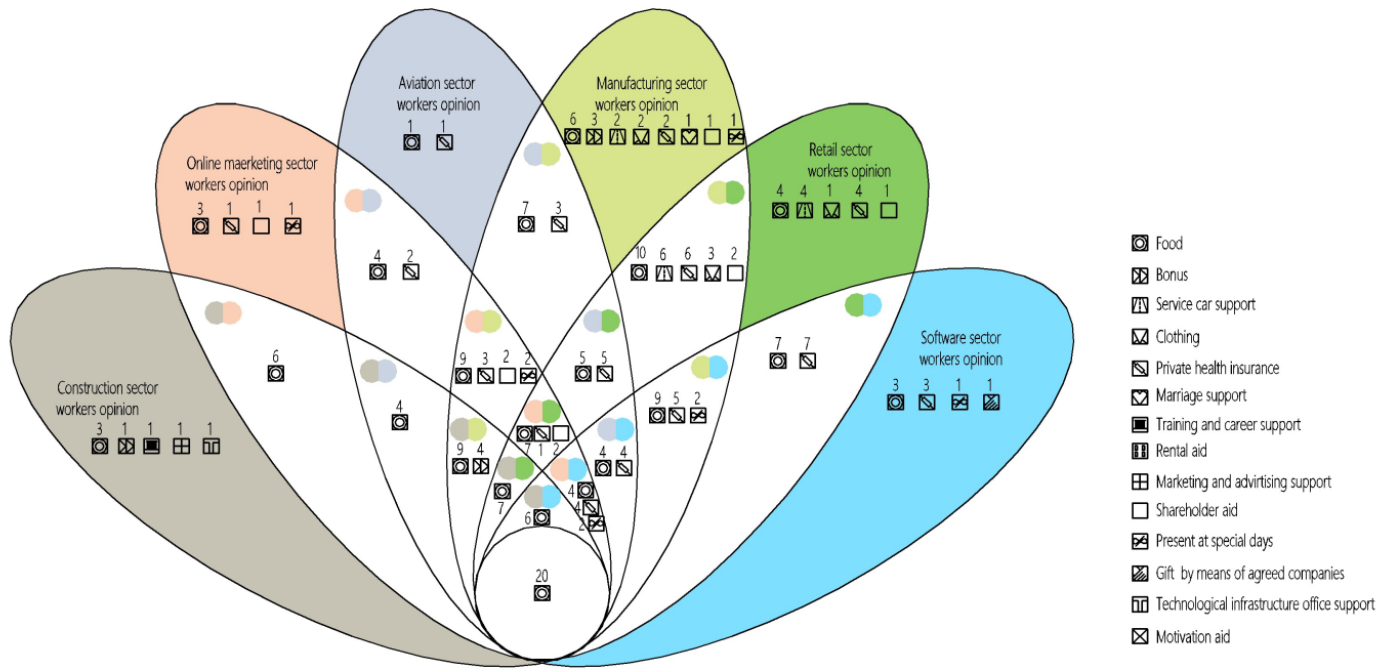


Figure 5. Benefits provided in addition to wages

Participants' direct statements are as follows:

G7: Training and certification support, vehicle, premium, travel and fuel aid, private health insurance.

G18: Health insurance, meal cards, transportation support, premiums, and remote working are among the fringe benefits we provide.

G20: We have a target-based bonus system that varies by position. In addition, transportation allowance, meal cards, food aid, family aid, holiday aid, fuel aid, marriage aid, maternity aid, and hybrid working are among the fringe and social benefits provided to our white-collar employees. Blue-collar employees also receive additional benefits such as bonuses, stationery aid, military service aid, night raises, attendance bonuses, and annual leave allowances.

Figure 6 shows participants' views on equal pay policy. While equal pay policies exist in all sectors, it is not the case for all.

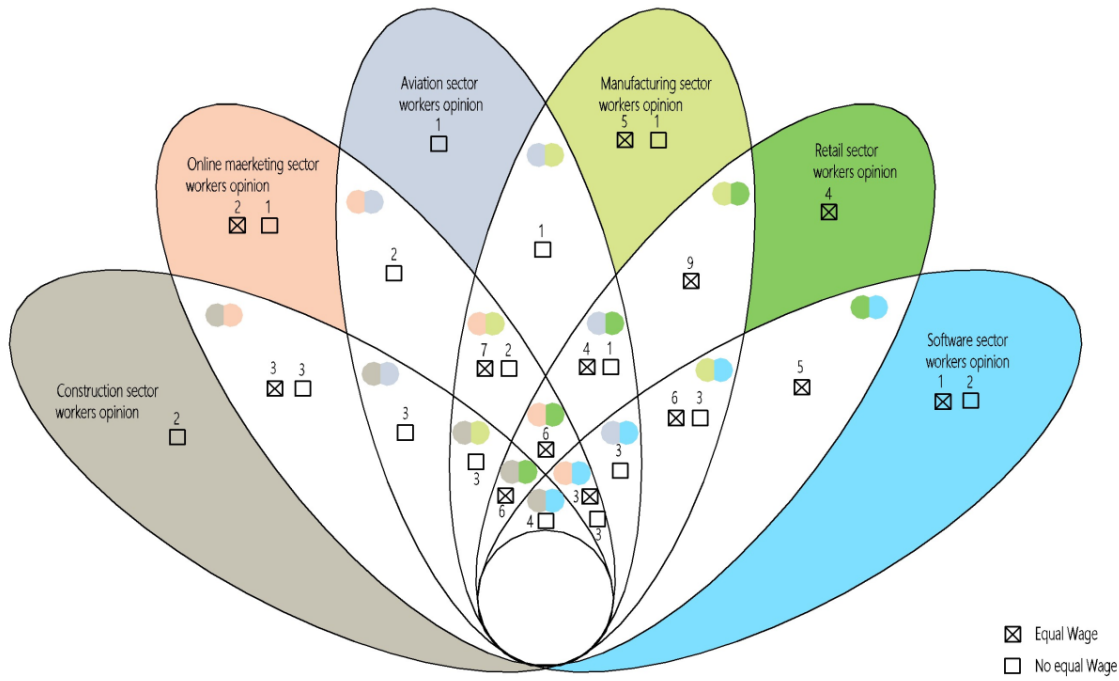


Figure 6: Equal pay policy

Participants' direct statements are as follows:

G2: A new employee's salary may be higher than an existing employee. This creates a wage imbalance.

G10: We offer equal pay for equal work in blue-collar, call center, and customer service positions.

Figure 7 shows participants' views on wage satisfaction. Wage satisfaction is high in the manufacturing, software, construction, e-commerce, and aviation sectors. Similarly, some in the manufacturing, retail, and e-commerce sectors are dissatisfied with the wage policy.

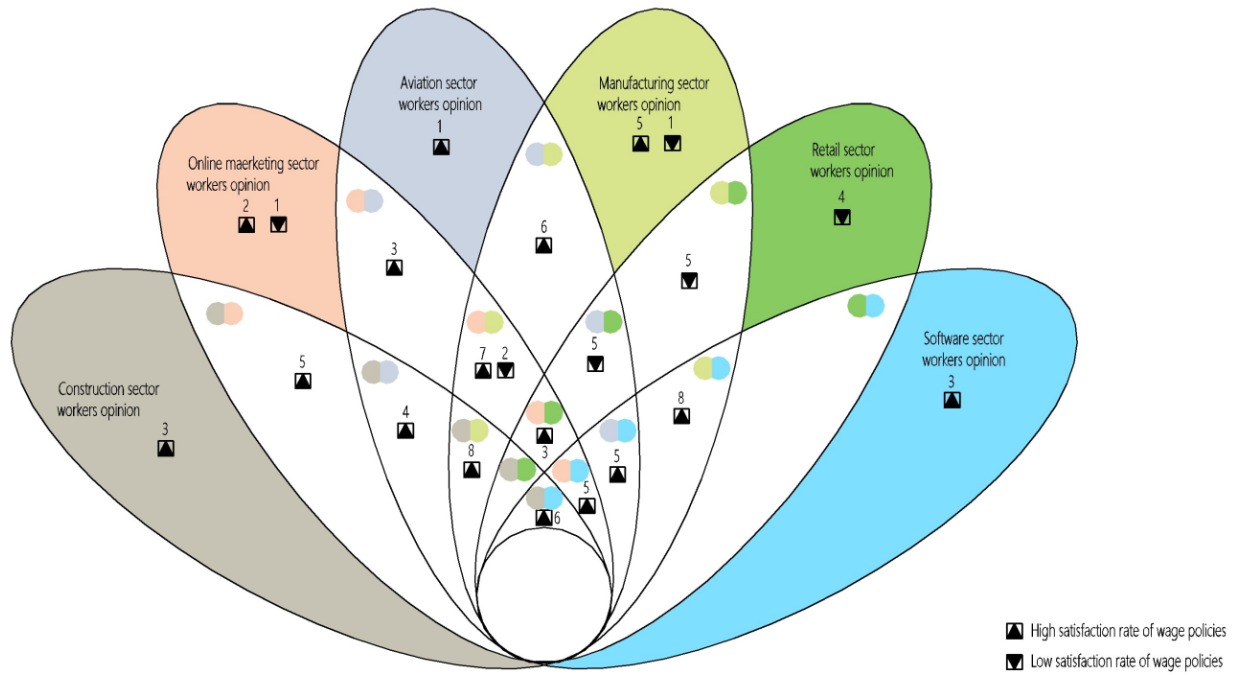


Figure 7: Satisfaction with wage policy

Participants' direct statements are as follows:

G12: In high-inflation environments, wages erode with each passing month, and therefore, expectations for new wage increases also increase.

G14: In countries with high inflation, all employees eventually begin working at close to the minimum wage. While the minimum wage gap was 10 times, it now decreases to 5 times. Blue-collar workers can now exceed the wages of white-collar workers, including fringe benefits and overtime.

G15: Our satisfaction rate was 34%, but it has now increased to 65%.

G17: Satisfaction is high because our wage system allows our employees to earn a high income.

Figure 8 shows participants' views on employee engagement. Engagement is high in the manufacturing, software, construction, e-commerce, and aviation sectors, while it is low in the manufacturing, retail, software, and e-commerce sectors.

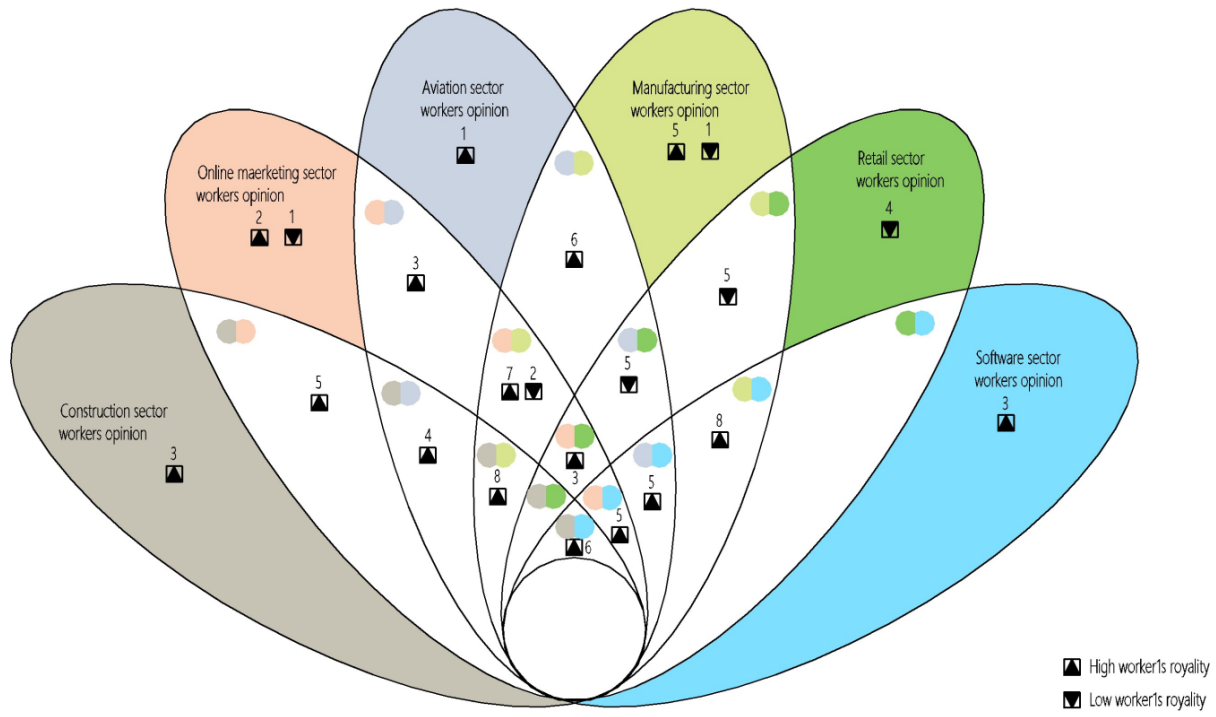


Figure 8: Employee engagement

Figure 9 shows participants' opinions on employee turnover. While employee turnover is low in manufacturing, software, construction, e-commerce, and aviation sectors, it is also high in manufacturing, retail, software, and e-commerce sectors.

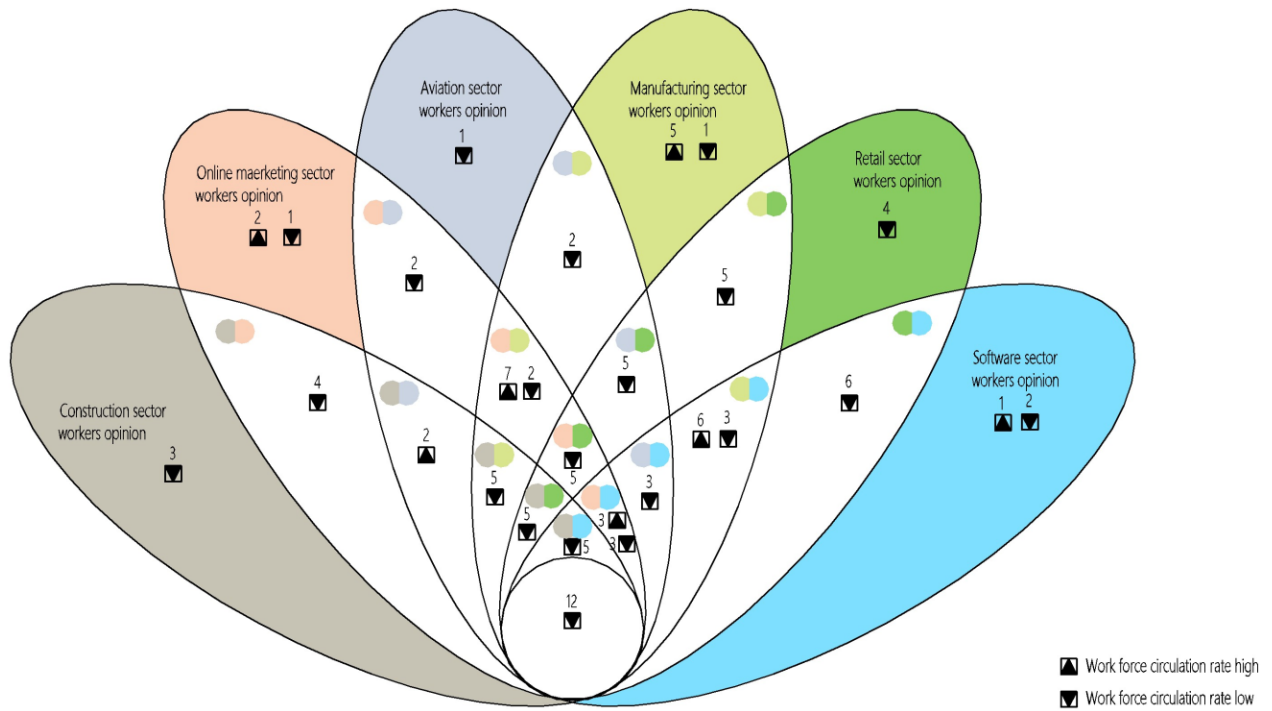


Figure 9: Worker turnover rate

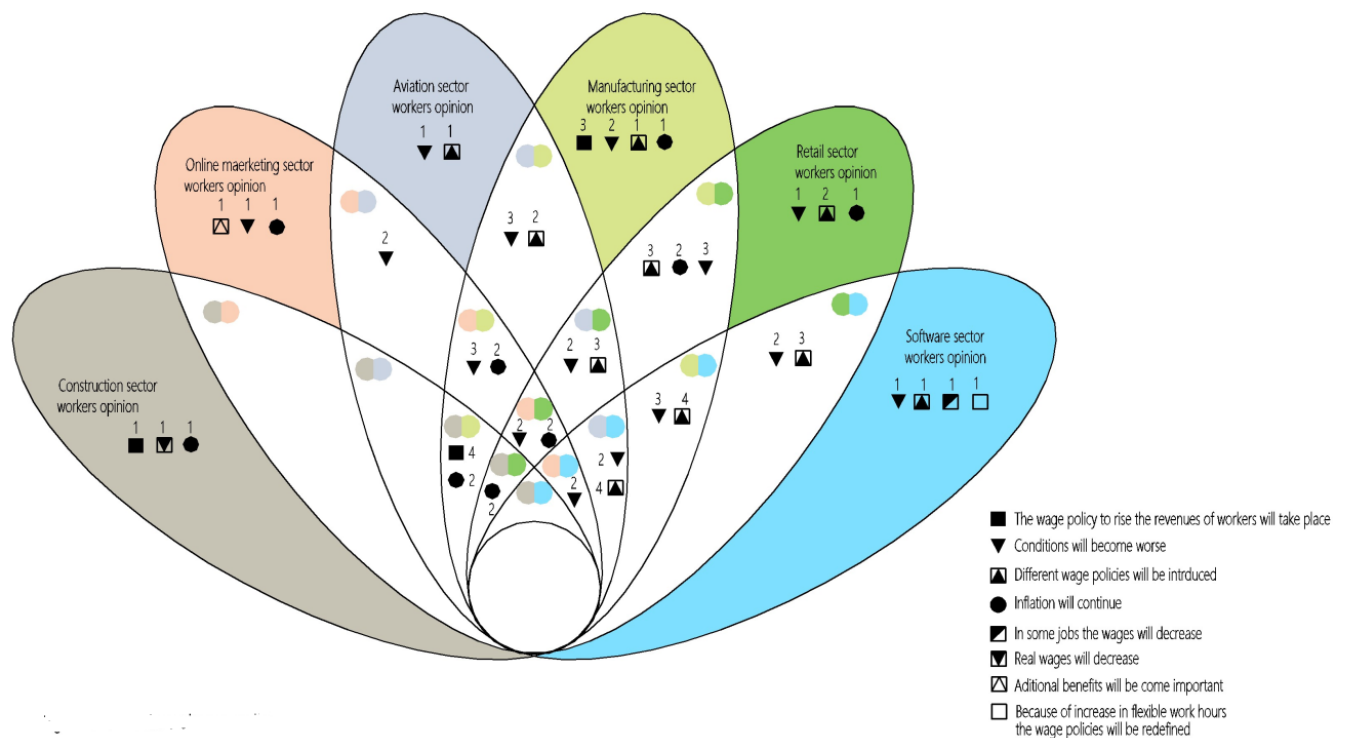
Participants' direct statements are as follows:

G3: Worker turnover is high. However, this is primarily due to travel distance.

G15: We conduct satisfaction surveys. According to the results, the reason for job loss is not salary, but rather, it is generally due to managerial relocation, overseas relocation, or employer termination.

G16: Our turnover rate is quite low within the retail sector. Our average turnover rate does not exceed 30%.

Figure 10 depicts participants' views on future wage policies. They anticipate that wage policies aimed at increasing employee incomes will become more prominent in the manufacturing and construction sectors. Conditions are expected to become even more challenging in the manufacturing, retail, e-commerce, and aviation sectors. It is anticipated that different wage policies will be developed in the manufacturing, retail, software, and aviation sectors. The inflationary environment is assumed to continue in the manufacturing, retail, and construction sectors. Only in the software sector are there expectations that current wage policies will be reshaped, as wages will decrease in some professions and flexible working hours will increase. Real wages are projected to decline only in the construction sector. Only in the e-commerce sector are fringe benefits expected to become more significant.



increase was 3.3%; and in Switzerland, when inflation expectations were 1.4%, the average wage increase was 1.6% (Kienbaum, 2024:5). Contrary to the literature, the study also found that the minimum wage increase in Turkey's current inflationary environment had a negative impact on firms' wage policy determination.

While some argue that companies' compensation policies are similar compared to their competitors, others argue that they are higher or lower. It's possible that companies implement different policies than their competitors, even within the same industry. Furthermore, a competitive compensation policy is crucial for attracting talented employees as part of their human capital investment strategy (Bottos & Fusco :1). Organizations conduct research and collect data on compensation practices to compare companies within their own sectors. This data reveals whether the company's compensation is on par with other employers, whether they need to remain competitive, or whether new regulations need to be implemented for certain positions (DeCenzo et al., 2017: 249).

It has been determined that while some industries base compensation on performance appraisals, there are also industries that do not base compensation on performance appraisals. It's also observed that companies within the same industry employ different practices. A study examining the relationship between employee performance and wages found that government regulations, labor unions, work productivity, and living costs have a significant impact on wage policies. Government regulations, labor unions, and wage policies have a significant impact on employee performance, and indirectly, wage policies have a significant impact on employee performance (Sabil et al., 2020, 286). Performance-based wage systems appear to be a more effective method for managing costs than traditional wage systems. This pay system also increases employee satisfaction with their pay and increases organizational commitment (Adigüzel et al., 2010:2020). A study of human resources practices in pharmacies in the Netherlands found that wages are linked to seniority and age, and performance interviews are also linked to wages. It was also found that wage policies are based on salary scales determined by companies and are not productivity-based (Grip & Sieben, 2003:17).

It was determined that there is generally no reward system in all sectors. However, some offer rewards such as bonuses and additional premium payments. The study, which demonstrates the positive relationship between reward systems and employee performance, also emphasizes the need for personalization and inclusiveness in reward system design and the importance of individual preferences and perceptions regarding the success of the rewards offered (Taqa, 2023: 8). A properly designed reward system has been found to be a significant source of motivation, providing numerous benefits to the organization and being highly desirable and important to the workforce (Došenović, 2016:116).

Fringe benefits, in addition to wages, appear to vary by sector. However, meal aid is provided to all participants across all sectors. Fringe benefits such as bonuses, training and career support, travel and clothing aid, private health insurance, marriage aid, rent support, share aid, gifts on special occasions and from contracted institutions, and motivational support are also provided to employees, although these benefits vary by sector. Similarly, a study on fringe benefits revealed that fringe benefits include stock, travel aid, meal allowances, refreshments, free gym memberships, children's tuition reimbursement, health insurance coverage, childcare, company-owned vehicles (cars), unlimited unpaid leave, employee discounts at stores and on shopping, discounted amusement park tickets, retirement plan contributions, moving expenses, free or discounted accommodations, paid sick leave, overtime and allowances, maternity and paternity leave, relocation allowances, personal development opportunities, flexible working hours, work-related accident and disability benefits, performance-based incentives, company cell phones, no-additional services, and discount coupons (Sathakathulla, 2024:23). Another study on fringe benefits revealed that fringe benefits and compensation have an impact on employee engagement (Owusu, et al., 2023:105). A study examining the relationship between fringe benefits and job satisfaction found that retirement plans and health insurance increased job satisfaction (Osime, et al., 2023:66). Another study found that fringe benefits provided beyond salary met the various needs of 78% of employees. Personalized benefits such as financial planning, childcare support, pet insurance, and grooming support met various needs. 62.5% of companies increased workplace comfort and well-being by offering workplace benefits such as gyms, health clinics, and subsidized food centers (Ey, 2025:33). Contrary to the literature, the study found that hybrid work models are also considered fringe benefits.

While there are sectors that implement equal pay policies, there are also sectors that determine their pay policies based on the individual. A study conducted at the University of Strathclyde found that all employees adhere to the principle of equal pay for equal work, regardless of disability, gender, sexuality, or ethnicity (University of Strathclyde, 2025,:26). Conversely, another study found that gender disparity exists in managerial positions and that the gender pay gap would decrease if more women were in management (Sánchez & Núñez, 2025: 69).

Pay satisfaction is high in the manufacturing, software, construction, e-commerce, and aviation sectors. However, some are dissatisfied with the pay policy in manufacturing, retail, and e-commerce. The study found that most employees are satisfied with the organization and their pay. Satisfaction also appears to be high regarding working conditions, basic salary, compensation, healthcare, job security, job appreciation, and employee welfare benefits (Patel & Pillai, 2022: 1457). A study examining whether and to what extent there is a relationship between employee pay and job satisfaction found a statistically significant positive relationship between employee pay satisfaction and overall, extrinsic, and intrinsic job satisfaction (Watkins & Fusch, 2022: 321). A study conducted in the UK found that 63% of employees were satisfied with their pay and 76% with their fringe benefits (Totaljobs, 2025:6).

When examining the relationship between wage policies and employee engagement, it was found that engagement was high in the manufacturing, software, construction, e-commerce, and aviation sectors, while it was low in the manufacturing, retail, software, and e-commerce sectors. Similarly, it was found that employee turnover was low in sectors with high employee engagement, while turnover was high in sectors with low engagement. A study of male and female employees at IMD companies in Penang also found a direct relationship between employee satisfaction and retention (Lartey, 2025:13). It highlights the important factors affecting employee retention and the effectiveness of wage policies in addressing these factors. The study reveals that fair and competitive wage packages play a vital role in attracting and retaining talented employees in the food industry. When employees feel adequately rewarded for their contributions, they are more likely to stay with the organization (Fitri, 2024:42). A study on the perception of wage justice found that turnover intentions decreased in organizations with high perceptions of justice (Bae et al., 2022:407). Regarding the future of wage policies, it is anticipated that wage policies aimed at increasing the incomes of workers in the manufacturing and construction sectors will become more prominent, while conditions in manufacturing, retail, e-commerce, and aviation sectors will become even more challenging. It is also anticipated that different wage policies will be developed, inflationary conditions will persist, wages will decrease in some professions, and fringe benefits will become more important. Looking at global labor markets, it is expected that the factors currently influencing wage growth will lead to a gradual recovery in the purchasing power of wages in the future. This is likely to occur at different speeds depending on national circumstances. Wages in some large upper-middle-income countries, supported by robust economic growth and low inflation, are expected to continue to gradually converge towards those in high-income countries, while many low-income countries are expected to face the risk of high inflation and an increasing decline in purchasing power (ILO, 2024:98). Contrary to expectations, the minimum wage has not led to major job disruptions; on the contrary, it has served to protect the most vulnerable in labor markets. It is also crucial for preventing rising income and wage inequality worldwide (Belser & Xu, 2018:5). Another study found that when price inflation is high, it becomes the most significant influence on salary increase decisions, becoming the prevailing rate for salary increases. Many companies pay cost-of-living premiums in addition to their basic salary increases. As the rate of increase in the cost of living declines, inflation will continue to be the primary driver of salary decisions for many companies (ADP, 2024: 43). Contrary to the literature, it can be argued that the white-collar/blue-collar divide has diminished with high inflation. It can also be argued that flexible working models may influence wage policies in the future.

5.CONCLUSION AND RECOMMENDATIONS

Inflation, economic data, and minimum wage changes have been found to be influential in determining private sector wage policies in the Turkish labor market. It has also been determined that criteria such as market and industry conditions, job characteristics, employee performance, and seniority are also taken into account. However, it can be said that companies that are required to determine wage policies in an inflationary environment are negatively affected by minimum wage increases in Turkey. Based on this holistic approach to the Turkish labor markets, it can be recommended that public and private sector managers and unions consider this issue. It has been observed that

there is generally no reward system and that different fringe benefits are provided. It has been concluded that the hybrid working style can also be considered a fringe benefit. It can be recommended that legal regulations be introduced to encourage flexible working models in the Turkish labor markets. Legislators can implement regulations that will promote flexible working models. Flexible working models can also be included among collective bargaining topics. In this context, unions can include flexible working models as a provision in their collective bargaining agreements. Wage satisfaction is a relative concept, and just as there are differences between sectors, satisfaction varies among employees within the same sector. Furthermore, it can be said that economic conditions in a country also influence wage satisfaction. Indeed, the decline in purchasing power of eroding wages in a high inflationary environment has been shown to affect satisfaction. This has also led to a narrowing of the wage gap between white-collar and blue-collar workers. While wage policies have been found to be linked to employee engagement and turnover, it can be argued that they are not the sole influencing factor. Factors such as the remoteness of the workplace, the behavior of the manager, and the desire to live abroad can also influence turnover. It can be argued that the future of wage policies is also predicted based on the country's economic conditions. In this context, the presented picture is not very encouraging. While inflationary pressures are expected to persist, purchasing power will decline, wages for some professions will decrease, and flexible work models will become more prevalent, leading to the establishment of different wage policies. It can be argued that the future of wages is also related to the future of working models, and the proliferation of flexible work models may impact wage policies. It can also be argued that individual competencies will be important in future wage policies, that wages will be shaped by supply and demand in labor markets, and that in the short term, real wages will decline due to inflationary pressures. While wages are a cost factor for employers, they are undoubtedly the most important factor in motivating employees to achieve high performance. Furthermore, it can be argued that fringe benefits are as effective as wages. Companies seeking to increase employee loyalty can recommend providing fringe benefits. A flexible work model can also be considered within the context of fringe benefits. Companies seeking to retain employees should consider wages based on current economic conditions.

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