

THE IMPACT OF MONETARY COMPENSATION ON THE EMPLOYEE MOTIVATION

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Abstract

The importance of job satisfaction has been widely accepted in the literature reviewed for this purpose. It is found that the job satisfaction of a worker is directly or indirectly connected with the organizational productivity and many problems related to human resource management. The entry of foreign companies has increased competition notably in the Indian corporate sector. It has also widened the opportunity of making more choice to the investors. Thus, the companies have been running their business operations in a complex situation that requires adjustment with the environment at a very fast pace hence creating ample opportunities of developing the organization in a new working style for which the employee motivation is highly pre-required. Hence, it becomes more important to study the various factors affecting the motivation of the employees. The present study uses a sample of 398 respondents for collecting a data from medium and large scale industry working during 2019-20. The findings of the study revealed that pay and perks has a major role while shaping the job satisfaction and employee motivation of the sample under study. The study strongly recommends the corporate sector to frame pay and perks policies that induce the job satisfaction of the employees.

Keywords: Job Satisfaction, Employee Motivation, Job involvement.

Introduction

Job satisfaction is always being considered necessary for higher productivity. The level of job satisfaction is the basic reason for many things like productivity, workers' turnover, participation in management, absenteeism, attrition rate, worker's performance, innovation, creativity, organizational development, retention etc. and many others. The importance of job satisfaction has been widely accepted in the literature reviewed for this purpose. It is found that the job satisfaction of a worker is directly or indirectly connected with the organizational productivity and many problems related to human resource management. L.M. Prasad, 1989 mentions in his book as "Job satisfaction is the amount of pleasure or contentment associated with a job. If you like your job intensely, you will experience high job satisfaction. If you dislike your job intensely, you will experience job dissatisfaction.

The present study is aimed at examining the contribution of the organizational factors of the job satisfaction of the workers, which is the basic reason behind most of the problems in Human Resource Management. Based on the definition of the Job Satisfaction the researcher feels that if the job satisfaction of

a worker were a mental or emotional state of mind, it must be on certain emotional criteria. Out of those criteria, the management does not have control over the personal issues. However, the organizational issues can be studied for knowing the composition of organizational factors in the job satisfaction of workers. The present study believes that the composition of these organizational factors is strongly affecting on the level of job satisfaction. Thus, it is necessary in the initial stage to know the behavior of the organizational factors in the construction of job satisfaction of any worker.

Review of Literature

The following section covers the various studies conducted abroad and in India.

Theorists such as Maslow (1954), Herzberg et.al (1959), and Alderfer (1972), have sought to explain employee motivation by holding on to the assumption that all individuals possess the same set of needs and therefore prescribe the characteristics that ought to be present in the jobs. These theorists have afforded opportunities to managers to design motivational schemes to influence performance. What need to be answered are the factors of motivation which drive the performance of employees in the mining sectors of Ghana. Though managers and organisations have applied motivation theories to the same behavior in different countries and institutions, the growing realization that traditional models of motivation do not explain the diversity of behaviors found in organizational settings have brought to fore the need for a socially sensitive approach in the Ghanaian context.

McShane and Von Glinow (2007) point out that Herzberg's ideas brought about new ways of thinking of the potential of motivation from the job itself. Herzberg's hygiene factors can roughly be related to the lower-level needs of Maslow while the motivators to the higher-level needs (Mullins, 17 2010). The simplicity and intuitiveness of Herzberg's theory is said to appeal to many managers.

According to Kreitner and Kinicki (2010), there are various kinds of rewards and none can be said to be the best in motivating employees because according to the need theories and the different kinds of individuals at the workplace, people are motivated by varying and different rewards. Thus the challenge to the manager is to establish what works for whom. For this to happen, the manager has to understand and appreciate the different needs that employees try to meet.

According to Cole and Kelly (2011), the idea behind creation of autonomous work groups (work teams that have delegated responsibilities for a certain part of organizational activities and have the freedom of organizing their own resources, work pace, and allocation of duties within the group), is to ensure that job satisfaction and consequently employee morale is enhanced when employees work in a group towards achieving their production goals.

According to Kinicki and Fugate (2012), the perspective of total rewards include compensations such as pay increases, base pay, promotions, incentives and merit pay; benefits such as health, welfare, retirement and paid time off benefits; and personal growth such as through career development and training. Phillips and Gully (2012) also concede that rewards are among the "most powerful motivational tools managers have at their disposal" (p. 230), adding that for one to accept a job offer and decide how much effort to exert, the

rewards being offered play a big role in the final decision. Phillip and Gully therefore agree that rewards motivate employees.

According to Bukusi, (2017), “managing people is not just about pay rewards and benefits. It is more about developing people you need to run your organization’s business. Managing people is about developing HR to access the resources the leader knows they have and empowering them to do what they can to contribute to the success of the organization”.

After studying the related reviews, it is found that a large number of studies have been conducted to explain motivational aspect of corporate employees. Motivated and energetic workforces can help to organization to accomplish the vision and mission of the future oriented organization. So, it is an issue of great concern for almost all business sectors, hence poses a significant area of research. Moreover, looking at the major effects of recession of the year 2008 in India has led to the companies to operate in a new economic environment altogether. Many foreign players have started moving more rigorously in the domestic market to fetch the benefits of larger market. The entry of foreign companies has increased competition notably in the Indian corporate sector. It has also widened the opportunity of making more choice to the investors. Thus, the companies have been running their business operations in a complex situation that requires adjustment with the environment at a very fast pace hence creating ample opportunities of developing the organization in a new working style for which the employee motivation is highly pre-required. Hence, it becomes more important to study the various factors affecting the motivation of the employees. By considering the research gap and to fulfil this gap, the proposed study on the title of “What drives the employee job satisfaction and motivation” is taken as a topic for current study.

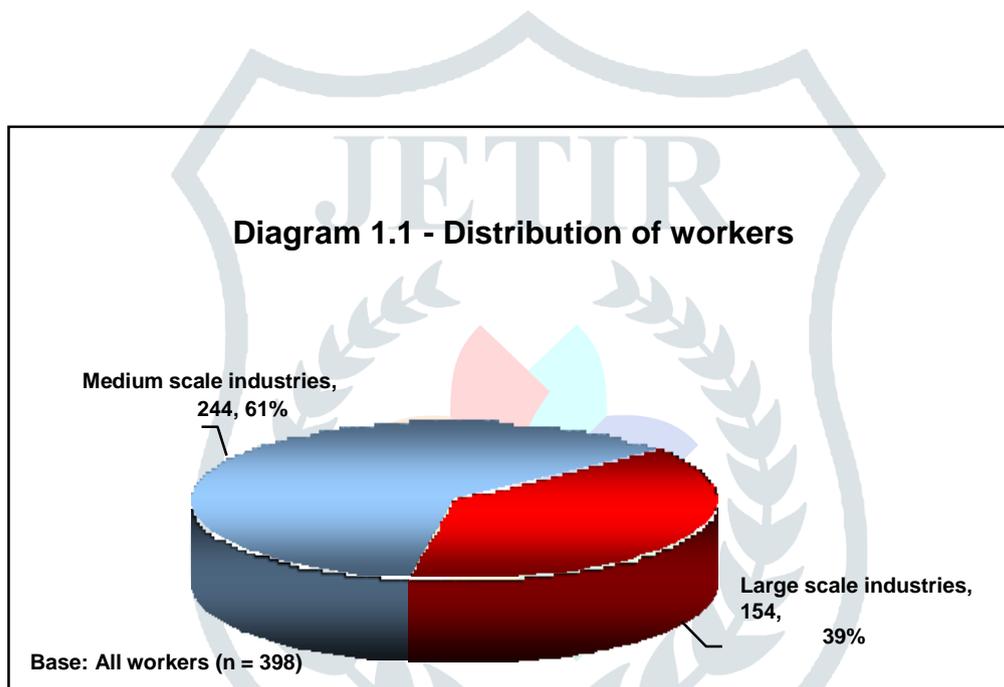
Research Gap

After studying the related reviews, it is found that a large number of studies have been conducted to explain motivational aspect of corporate employees. But, the nature of the subject is such that there is always a scope for further studies in this area. Now days the change is need of present business scenario and has become a necessity for management to keep highly motivated and competent workforces. Motivated and energetic workforces can help to organization to accomplish the vision and mission of the future oriented organization. So, it is an issue of great concern for almost all business sectors, hence poses a significant area of research. Moreover, looking at the major effects of recession of the year 2008 in India has led to the companies to operate in a new economic environment altogether. Many foreign players have started moving more rigorously in the domestic market to fetch the benefits of larger market. The entry of foreign companies has increased competition notably in the Indian corporate sector. It has also widened the opportunity of making more choice to the investors. Thus, the companies have been running their business operations in a complex situation that requires adjustment with the environment at a very fast pace hence creating ample opportunities of developing the organization in a new working style for which the employee motivation is highly pre-required. Hence, it becomes more important to study the various factors affecting the motivation of

the employees.

Research Methodology

The present study is analytical and exploratory in nature. This study focuses on the examination of the impact of motivation over selected companies in Indian corporate sector. More specifically, the present study makes an assessment of the influence of various factors related to employee motivation on the organizational development of the selected companies. The study is being conducted by considering the chief objective of finding the influence of pay and salary over the job satisfaction and motivation level of employees working in corporate sector. The study is based upon manufacturing companies which are operating in the city Gurugram



being the chief industrial hub for manufacturing companies in the state Haryana. The source of data is primary in nature and has been collected through structured questionnaire. The employees working on different levels in the sample companies are selected as respondents for the purpose of data collection.

The above diagram 1.1 represents the distribution of respondents from medium and large scale industries. A total of 398 respondents have been selected on convenience sampling based method and out of this 61 per cent were from medium scale industry and 39 per cent from large scale industries. Data collected from the respondents has been analyzed by descriptive statistics using SPSS software.

Data Analysis and Findings

The following table 1.1 gives a clear explanation about the monthly wages of the respondents under study. The table clearly exhibits that the monthly wages of workers, 136 (34.2%) workers had monthly wages less than 8000, 47 (11.8%) workers had monthly wages 8000 to 10000, 139 (34.9%) workers had monthly wages 10000 to 15000, 54 (13.6%) workers had monthly wages 15000 to 20000 and remaining 22 (5.5%) workers had monthly wages more than 20000.

Table 1.1 - Monthly Wages of Workers (in Rs.)

Monthly wages	Industries Groups					
			Medium Scale		Large Scale	
	Total	%	Total	%	Total	%
Less than 8000	136	34.20%	120	49.20%	16	10.40%
8001 to 10000	47	11.80%	26	10.70%	21	13.60%
10001 to 15000	139	34.90%	69	28.30%	70	45.50%
15000 to 20000	54	13.60%	19	7.80%	35	22.70%
more than 20000	22	5.50%	10	4.10%	12	7.80%
Base: All workers	398	100.00%	244	100.00%	154	100.00%

In particular medium scale industries, 120 (49.2%) workers had monthly wages less than 8000, 26 (10.7%) workers had monthly wages 8000 to 10000, 69 (28.3%) workers had monthly wages 10000 to 15000, 19 (7.8%) workers had monthly wages 15000 to 20000 and remaining 10 (4.1%) workers had monthly wages more than 20000. In particular, large scale industries, 16 (10.4%) workers had monthly wages less than 8000, 21 (13.6%) workers had monthly wages 8000 to 10000, 70 (45.5%) workers had monthly wages 10000 to 15000, 35 (22.7%) workers had monthly wages 15000 to 20000 and remaining 12 (7.8%) workers had monthly wages more than 20000.

The table 1.2 explains that out of 398 workers, 6 (1.5%) have Strongly Agreed whereas 140 (35.2%)

have agreed and 15 (3.8%) have Strongly Disagreed whereas 61 (15.3%) have disagreed and the remaining 176 (44.2%) have neutral opinion (i.e. neither agreed nor disagreed). The average score given by workers is 3.15 with standard deviation 0.83. Out of 244 workers from medium scale industries, 3 (1.2%) have Strongly Agreed whereas 80 (32.8%) have agreed and 1 (0.4%) have Strongly Disagreed whereas 23 (9.4%) have disagreed and the remaining 137 (56.1%) have neutral opinion (i.e. neither agreed nor disagreed).

Table 1.2 - My pay and perks are commensurate with my competence.

Responses			Industry wise groups			
			Medium scale		Large scale	
	Total	%	Total	%	Total	%
Strongly Disagree	15	3.80%	1	0.40%	14	9.10%
Disagree	61	15.30%	23	9.40%	38	24.70%
Neutral	176	44.20%	137	56.10%	39	25.30%
Agree	140	35.20%	80	32.80%	60	39.00%
Strongly Agree	6	1.50%	3	1.20%	3	1.90%
Base: All workers	398	100.00%	244	100.00%	154	100.00%
Mean	3.15		3.25		3	
Std. Dev.	0.83		0.65		1.04	

The average score given by workers from medium scale industries is 3.25 with standard deviation 0.65. Out of 154 workers from large scale industries, 3 (1.9%) have Strongly Agreed whereas 60 (39%) have agreed and 14 (9.1%) have Strongly Disagreed whereas 38 (24.7%) have disagreed and the remaining 39 (25.3%) have neutral opinion (i.e. neither agreed nor disagreed). The average score given by workers from large scale industries is 3 with standard deviation 1.04.

The following table – 1.3 explains that out of 398 workers, 74 (18.6%) have Strongly Agreed whereas 76 (19.1%) have agreed and 82 (20.6%) have Strongly Disagreed whereas 83 (20.9%) have disagreed and the remaining 83 (20.9%) have neutral opinion (i.e. neither agreed nor disagreed). The average score given by workers is 2.94 with standard deviation 1.4. Out of 244 workers from medium scale industries, 39 (16%) have Strongly Agreed whereas 60 (24.6%) have agreed and 29 (11.9%) have Strongly Disagreed whereas 50 (20.5%) have disagreed and the remaining 66 (27%) have neutral opinion (i.e. neither agreed nor disagreed). The average score given by workers from medium scale industries is 3.12 with standard deviation 1.25. Out of 154 workers from Large scale industries, 35 (22.7%) have Strongly Agreed whereas 16 (10.4%) have agreed and 53 (34.4%) have Strongly Disagreed whereas 33 (21.4%) have disagreed and the remaining 17 (11%) have neutral opinion (i.e. neither agreed nor disagreed). The average score given by workers from Large scale industries is 2.66 with standard deviation 1.58.

Table 1.3 – Overall Job Satisfaction.

Responses	Industry wise groups					
			Medium scale		Large scale	
	Total	%	Total	%	Total	%
Not at All satisfied (1)	82	20.60%	29	11.90%	53	34.40%
Not satisfied (2)	83	20.90%	50	20.50%	33	21.40%
Neutral (3)	83	20.90%	66	27.00%	17	11.00%
Satisfied (4)	76	19.10%	60	24.60%	16	10.40%
Very satisfied (5)	74	18.60%	39	16.00%	35	22.70%
Base: All workers	398	100.00%	244	100.00%	154	100.00%
Mean	2.94		3.12		2.66	
Std. Dev.	1.4		1.25		1.58	

The above section has discussed clearly the pay and perks related motivation and job satisfaction of sample under study. The following section is an attempt to give a brief conclusion of the topic under study.

Conclusion

The importance of job satisfaction has been widely accepted in the literature reviewed for this purpose. It is found that the job satisfaction of a worker is directly or indirectly connected with the organizational productivity and many problems related to human resource management. The present study has successfully attempted to attribute the pay and perks as the major concern for the job satisfaction and motivation level of the employees. The study clearly indicates the low job satisfaction level in the low income group whereas comparatively high job satisfaction level among those employees which receive more income than former one. However, a lack of high job satisfaction still can be felt but as far as the pay and perks are concerned, this plays a major role in facilitating the job satisfaction among employees. Further, if the employees are satisfied from their job, it leads to more involvement in the work they are engaged into. Not only this, but also their need to be more motivated upon successful completion of any job with high involvement. The present study puts an implication to various corporate units to consider better pay and perks related aspect and to frame such a pay policy that may induce high job satisfaction as well as motivation to do more work among employees.

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