

The Impact of Pay and Promotion on Job Satisfaction: Evidence from Higher Education Institutes of Pakistan

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Abstract In developing countries, people think, not from their brains but stomach. Because of unemployment and de-stabilization of economy the only sure source of job satisfaction is pay and promotion. This study is an endeavor to determine the impact of pay and promotion on job satisfaction in higher education institutes of Pakistan. Non-probability random sampling technique and multiple regression analysis was applied and 200 questionnaires were distributed to collect the responses and 5-points Likert scale was used to measure the responses. Random selections were made once over a period from public and private universities of Punjab, Pakistan. Results replicate previously available data and precision based. Pay has significant influence on job satisfaction but the promotion has less influence and partially significant to the job satisfaction. Limitations and future directions are also discussed in this study.

Keywords Job Satisfaction, Pay, Promotion and Higher Education Institutes

1. Introduction

The basic purpose of the human resource and labor management is to enhance the confidence or to improve the employee's attitude towards job in a well manner. From many decades it is important area of research and many researchers investigate the association among job satisfaction and its affecting aspects. The significance of job satisfaction on a variety of organizational variables has been studied by various researchers in the past[1]. Particularly we know that dissatisfaction lead employees toward job turnover. That's why taking into account job satisfaction of employee and its affecting factors have significant value for any institution or concern to stay alive and prosper[2].

In recent years it has received significant importance from economists because employee behavior and job satisfaction has correlation, Individual job satisfaction could eventually play a significant part for civilizing the nation as contentment of employees in an organization is likely to contribute to the industry being healthy, which ultimately affects its contribution to the economy[3]. The people are supposed to be more satisfied when they feel happiness in their jobs. Main reason behind this issue is to satisfy employees less likely to run off from job and have low absenteeism rate and have more output than others, so it can be argued that a

happier workforce can have a constructive contribution in any organization[4].

Job satisfaction is influenced by a lot of variables. Promotions are an important aspect of employee's life. Considerable increase in pay or wage of an employee also constitutes major affect on work[5]. Different organizations or institutions use promotion as a reward for high productivity of their workers which accelerate their efforts. It can be only useful way of compensation where employee gives significant value to promotion, if not then pay or wage increment is best reward for more exertion.

This research assesses the contribution that demographic and environmental factors make in finding out job satisfaction in Pakistan. Traits related to individual like age, ethnic group, sex, academic qualification, and work regarding experience are the demographic factors. Features of direct job setting like the pay, task significance, autonomy, job security, job promotion and communications & dealings with co-workers are significant factors to measure pay and promotions of employees in developing countries.

Therefore, rather the known significance of comprehension the factors concerning job satisfaction along with the scarcity of research in Pakistan, this research are of immense significance to both academicians and practitioners in Pakistan. This study aims at to determine pay and promotion of employees affecting job satisfaction in Pakistan. Particularly, this study analyzes the comparative effects that the demographic and environmental characteristics' factors have on job satisfaction amongst Pakistani employees. The actual objective of this research is to clearly determine the influence of pay and promotion upon job satisfaction in higher

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Published online at <http://journal.sapub.org/economics>

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education institutes of Pakistan.

2. Literature Review

2.1. Job Satisfaction

Job satisfaction is considered as a vast and profound area of research, many researchers showed that several articles and dissertations are published or written on job satisfaction. "Job satisfaction is a pleasurable or positive emotional state, resulting from the appraisal of one's job experiences". It means that optimistic feeling about work and environment around job lead someone towards satisfaction[6]. It is the extent to which employees want or like to perform work[7].

Satisfaction is the contentment of a desire which is come true or to achieve sacred fulfillment from a wish. Different factors have different affect on job satisfaction proven by the previous studies. Female employees feel less satisfaction regarding their pay and promotion, so it provides evidence for an observation about their lesser happiness related to their pay, promotion & generally satisfaction regarding job[8]. Sexual characteristic (Gender) was a noteworthy interpreter of an employee's job satisfaction. Managerial employees felt more satisfaction as compared to employees of non managerial positions and managerial position has positive effect on job satisfaction[9]. After reviewing the literature it is come to know that some individual factors also influence job satisfaction in a positive way. If work is appealing or special then from the standpoint of employee's job satisfaction increases when an employee allowed being more innovative and when managers are encouraging and treat them with kind behavior and when satisfactory pay and societal benefits provide on the job to employees[10].

In brief, it depends upon employee and varies from one person to another some like equality at work, some like benefits provided by their job, or others satisfied with the degree to which they have power to take initiatives at their workplace during the job. In this research we will study the effect or influence of pay and promotion upon employee's satisfaction.

2.2 Relationship between pay and job satisfaction

Difference exists between the relationship of pay differential and job satisfaction because of male dominated society. Therefore salary difference exists between males and female managers. Female feel less satisfaction towards their policy rules concerning to pay and promotion that point out low level of job satisfaction as match up to male bank manager that have high pay and satisfaction with job[11].

The judgment of satisfaction related to job can be made with the help of wage payment system. Different type of organizations adopts different types of payment system of wages. The workers of low paid and high paid with in developing countries to analyze job satisfaction level and also enlighten different determinants of job satisfaction among the workers that exist in low and higher wages in across the world[12]. Job satisfaction level is less for employees, who

receive less amount of pay whereas higher amount receiving employees have high level of satisfaction[13].

Pay is an imperative factor for job satisfaction, however other related factor are like promotion, recognition, job involvement and commitment are also taken into account[14]. Different findings show that no noteworthy association in salary and job satisfaction[15]. The longitudinal effect of pay increment in teacher's job satisfaction in Egypt is investigated and taken as a whole result show that no significant effect of increases salary on job satisfaction. In relation of increase pay and gender, male teacher have high job satisfaction and no significant effect teachers' length of services[16].

2.3. Correlation Between Promotion and Job Satisfaction

"Promotion is a Shifting of employee for a job of higher significance and higher compensation[17]". "The movement of an employee upward in the hierarchy of the organization, typically that leads to enhancement of responsibility and rank and an improved compensation package is a promotion[18]". Another definition of promotion is "the reassignment of an employee to a higher-rank of job[19]".

Many researchers give their opinion that job satisfaction is strongly correlated with promotion opportunities and there is a direct and positive association between promotional opportunities and job satisfaction[19]. The reliance of the positive correlation between promotion and job satisfaction is on perceived justice by workers.

A significant facet of career of an employee is promotion that affects other aspects of experience of work. They make up of a vital facet of mobility of labor related to workers, most frequently having considerable increment of wages[20]. Pay satisfaction and satisfaction related to job security both are most significant categories of job satisfaction for ascertaining give-ups regarding future, whereas satisfaction with regard to promotion opportunities is not a major factor[21].

Dissatisfaction in regard to opportunities for training & promotion is strongly influenced by the purposes for give-up as compared to dissatisfaction regarding workload or pay by employing data of cross-sectional nature. Merely a small number of papers are assessing the influence of promotions on satisfaction of job on the whole[22]. Few numbers of managers makes estimation about the impact of promotions on satisfaction of workers, by concentrating on satisfaction regarding promotion. Managers who have been promoted feel more satisfaction with opportunities regarding promotion and have more expectations for future promotion[23]. From above literature following hypothesis are deduced.

H1: Pay has significant and positive association with job satisfaction of employees

H2: Promotion has significant and positive association with job satisfaction of employees

3. Research Methodology

3.1. Population and Sample

Our targeted area of interest for the research conducted was consisted of all the educationalists employed in HEC recognized universities of Punjab province. The sample symbolizes the entire population of educationalists employed at all the universities of Punjab and is therefore considered to be a closed sample consisting of 200 research contributors. On the basis of stratified sampling by making strata of private and public sector universities, participants were randomly selected from the list of universities (Punjab) available at the website of HEC.

3.2. Response Rate

Only 153 questionnaires in total had been returned by respondents from different universities, out of which only 130 responses were useable and response rate was 65% within a one month period.

3.3. Data collection Method and Instrument

Research related to the management science has used surveys as data collection methods many times as shown before in the past. Questionnaire consisted of four sections: first section was related to Personal profile comprised of 6 demographic variables which include gender, age, marital status, sector, department & job tenure in particular institution; the second section was consisted of 6 questions related job satisfaction; third and fourth section addresses 4 questions regarding pay and promotion respectively.

4. Analysis and Findings

4.1. Demographic Characteristics

Frequency distributions were got for all the personal profile or demographic variables. The frequencies for the number of individuals related to gender include 78 males and 52 females out of 130 respondents which become the percentage of 60% for male and 40% for female respectively. It has been seen that of about 52% of respondents belong to a age group of 21-30 and only 5% respondents was representing the 51-60 interval of age class. Among them of about 56% respondents were married and 44% were single. Respondents related to public sector universities were about 62% and of private sector universities were about only 37% respectively. It has also been observed that the greatest number of respondents came from the other departments of about 31%, next to that come the departments of Art and Science with the little difference of 1% only. Among the six classes of job tenure 38% of respondents were fallen under the category of 3-5 interval of job tenure and about 8.5% respondents were falling under the job tenure of less than one year and 5-10 year both.

4.2. Findings

Multiple regression analysis is used to examine the correlation between the two independent variables (pay and

promotion) and dependent variable (job satisfaction). The multiple regression analysis is a suitable method in investigating the correlation among a dependent variable and numerous independent variables having a purpose to explain a dependent value, described by using known values of independent variables[24]. All two influencing factors like pay and promotion as independent variables are incorporated in the theoretical model; these two will use for the examination of association between the job satisfaction as dependent variable and independent variables (pay and promotion). Multiple regression analysis results, also includes the beta coefficients are tabularized.

5. Discussion

The results show that the independent variable 'pay' has influence upon job satisfaction (dependent Variable) of educationalists with a beta coefficient 0.239. Therefore, H1 is supported. Along with the 0.166 beta coefficient, the variable 'promotion' has an influence on dependent variable. Therefore, H2 is also supported. Promotion has less explanatory power because beta coefficient of this variable is not significant. That's why it is directly related to job Satisfaction but impact of it is not significant so we can say that H2 partly supported.

The two independent variables pay and promotion together explains the 11.2% variance in dependent variable, job satisfaction. So results uncover the information that both factors have low explanatory power in explaining the job satisfaction of educationalist. It means that other factors like job security, work environment, fringe benefits and supervision etc has also influence upon job satisfaction.

This research examined the impact of pay and promotion upon job satisfaction at university level of Punjab. The findings reveal that pay has significant impact on job satisfaction but the promotion has significant or partial impact on the job satisfaction of educationalist. Other factors except pay and promotion can also be useful in the research. This research investigated the influence that pay and promotion has upon job satisfaction at university level only limited to province Punjab in Pakistan. Further research can be conducted by including more universities from overall Pakistan and by broadening sample size. In this research only two influencing factors like pay and promotion were used, in future more influencing factors of job satisfaction can be studied like job security, fringe benefits, supervision etc.

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