



## Influence of Salary Package and Promotion Opportunities on Job Satisfaction; A Study on the Employees of Retail Sector in Pakistan

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### Abstract

This research was conducted during 2017-2018 in a private retail organization. Two independent variables were considered including pay and promotion and their impact was checked on the dependent variable "job satisfaction". Data was collected from 30 respondents using a structured questionnaire. Judgemental sampling technique was used for data collection. Data was analyzed using SPSS and AMOS. Results indicate that there is a significant impact of pay and promotion on job satisfaction. It was also found that there are some other factors that can have their positive impact of job satisfaction including free medical facility, education facility employees' children and insurance policies provided by the organizations.

**Keywords:** Three to Pay; Promotion; Retail Company; Job Satisfaction; Pakistan.

### 1. INTRODUCTION

Human resource management and labor management focuses to study and improve the attitude of the labor force towards their job. It is a significant research area and various researchers have studied the relationships among job satisfaction and its various aspects. Various researches have studied the impact of job satisfaction on different variables [1].

As employees move towards job turnover because of job dissatisfaction, so it is very important for the survival of an organization to consider the job satisfaction of human resource and its affecting factors [2].

A correlation has been studied between job satisfaction and workers behavior that's why economists regarded it with greater significant. An individual's job satisfaction works to civilize the organizational behavior of the employees which helps to grow the industry and finally it plays its role to make the economy stronger [3]. Researchers found that employees will be satisfied with their jobs when they will be happy with that. If employees are happy with their job it means they are satisfied with that and hence it will decrease the number of absentees and chances of job turnover intention will also be minimized. It has been studied that employees' satisfaction has a positive impact on their contribution towards the organization [4]. A number of factors have their impact on employees' satisfaction. For example, job enrichment and increase in salaries have positive impact on job performance [5].

Promotion is used by various organizations as a reward for their employees' good performance and it helps to encourage them for hard working. This tool is useful if employees take this as a worthy reward otherwise, the suitable reward for their performance can be increment or pay [24].

This study is a step forward towards understanding the impact of environmental and demographic factors on job satisfaction of the employees of retail sector in Pakistan. Employees' age, gender, ethnic group, education, and job related experience are considered as demographic factors. Environmental factors including salary, autonomy, promotion, job safety, behavior with colleagues and target significance are considered to find the retail sector employees' pay & promotion in Pakistan.

Present research has got a great significance for professionals and academics as well because there is a lack of such researches in Pakistan. The impact of environmental and demographic factors on job satisfaction of retail sector's employees of Pakistan was analyzed in this research. The main purpose of this research is to study the impact of employees' promotion and pay on their job satisfaction in retail industry of Pakistan.

## **2. REVIEW OF LITERATURE**

This section is where you will be providing all the relevant readings from previous works. Provide brief summaries or descriptions of the works of other authors. Make sure that your research materials are from credible sources such as academic books and peer-reviewed journals. Also, make sure that your reading materials are directly relevant to the topic of your research paper. The literature review typically includes the names of the authors, the titles of their works and the year of the publication of these works.

### **2.1 Job Satisfaction:**

A huge number of research papers and theses have been written and published by various researcher and scholars on job satisfaction of the employees which indicates that it is vast field of research. Job satisfaction is defined as "a pleasurable state of emotions which results from the appraisal of an employee's experience regarding his/her job" [24]. Hence it can be said that the positive thinking of an employee about his/her job is responsible for the job satisfaction [6].

Past researches proved that job satisfaction is affected by various factors [24]. It has been studied that females are usually less happy with promotion and pay packages which indicates that they are less satisfied with their jobs as compare to male employees [8].

It has been found that job satisfaction of an employee is also influenced by gender [24]. Researchers argued that job satisfaction is positively affected by managerial posts and employees of management posts are found more satisfied with their jobs [9]. Literature proved that there are some individual factors which have their positive impact on job satisfaction. For example, the employees are found more satisfied with their job if the nature of their work is appealing and they are free to bring innovations. Furthermore, if their leaders show friendly attitude and encourage them to work and their organizations provide them social benefits and smart compensation packages, then the level of job satisfaction goes upward [10].

In short, it can be said that the level of satisfaction differs from one person to another. Some employees satisfy with their jobs if feel that they are working without discrimination. Some people satisfied with their jobs if extra benefits are attached with their salary. Some employees claim that they are satisfied with their jobs if they are empowered to take innovative decisions on their job place [24]. This research focuses on the impact of promotion and pay on job satisfaction.

## **2.2 Relationship between Pay and Job Satisfaction:**

As males are dominant in Pakistani society and the pay packages of males having managerial posts are different from female managers. Hence there is a relationship between job satisfaction and salary [24]. It has been studied that male managers have high salaries and high level of job satisfaction as compare to female managerial staff that have less job satisfaction because of their pay and promotion packages [11].

Salary system of an organization can be helpful to find the level of job satisfaction of the employees of that organization. Salary packages of the organizations differ from each other. Researchers found that in the perspective of developing countries like Pakistan, employees having high salary packages are more satisfied with their jobs as compare to the employees who receive lesser amounts of salaries [11, 12]. Salary is a significant determinant of job satisfaction however, there are also some other factors which have their impact on job satisfaction including promotion, commitment and recognition etc. [14]. There are also some researches which found that there is no significant relationship between pay, promotion and job satisfaction [15].

## **2.3 Correlation Between Promotion and Job Satisfaction:**

Promotion can be defined as "transfer of an employee for a most important and highly payable job from the lower one" [17]. In other words it can be said that the shifting of a worker from a lower post to a higher one which results as a change in job description and increase the responsibilities of the employee and the salary package is also improved, is categorized as promotion [18]. Another researcher defined the promotion as "the re-assignment of an employee to a higher rank of job" [19].

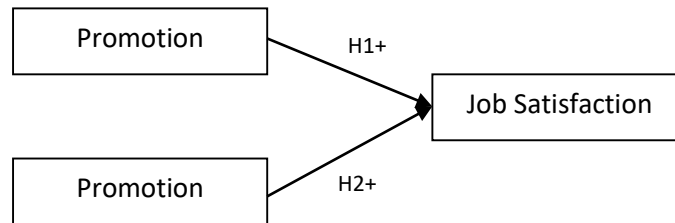
Previous studies found that promotion has its positive impact on job satisfaction and these two variables are closely correlated with each other [19]. The positive correlation between job satisfaction and promotion of an employee relies on the organizational justice perceived by employees.

The promotional packages of an employee also affect the other job related experiences of that worker as it also leads to the increase in salary so it provide the financial benefit to the employee [20]. The most important categories of job satisfaction are job safety and satisfaction regarding salary as compare to the satisfaction regarding promotional packages of an employee [21].

There are very few studies in which the impact of promotion of an employee on his/her job satisfaction is checked [22, 24]. Some managerial employees estimate the influence of job promotion on the job satisfaction of employees. It has been found that the employees promoted on managerial positions are more satisfied with their jobs and also expect for such promotions for next time [23, 24]. After reviewing the literature, two hypotheses were drawn and listed below.

**1 There is a positive impact of salary package on job satisfaction.**

**2 There is a positive impact of promotion on job satisfaction.**



**Figure 1 Conceptual Framework**

### 3. METHODOLOGY & DATA ANALYSIS

Typical methodologies include laboratory experiments, statistical or mathematical calculations/computations and comparison of existing literature. This research was conducted to check the impact of salary and promotion on job satisfaction of the employees of retail sector in Punjab province. For this purpose, researchers decided to collect the data from 30 employees of a Retail Company in Punjab. Sampling units for data collection were selected from different job roles including stock boy, salesman and branch manager. Researcher made questionnaire was used for data collection. Questionnaire was consisted upon two portions. First portion was about demographics of the respondents. In second portion of the questionnaire, there were questions about pay, promotion and job satisfaction. All of the respondents were interviewed to get their responses. The data was analyzed on SPSS and AMOS.

### 4. RESULTS

All of the employees were males. 40 % of the respondents were un-married and 60% were married. 17.67% of the respondents were the residents of same city and remaining 83.33% were come from other cities. 66.67% of the respondents were fall under the age group of 21-30 years. 26.67% were between the range of 31-40 years of age and remaining 6.66% of the respondent had their ages between 41-50 years.

To check the relationship among the variables, correlation test was applied using SPSS. Values of correlation test ate given in table 1. Results indicate that all of the variables are closely correlated with each other.

**Table 1 Correlation Analysis**

	Pay	Promotion	Job Satisfaction
Pay	-		
Promotion	0.614	-	
Job Satisfaction	0.699	0.507	-

CFA test was applied using AMOS to check the goodness of model fit. The values of CMIN/df, GFI, AGFI, CFI, RMR, NFI and RMSEA are given in table 2. These values are indicating that there is a good model fit among the three variables.

**Table 2 Model Fit Index**

CMIN/df	P	GFI	AGFI	NFI	CFI	RMR	RMSEA
2.061	0.00	0.884	0.797	0.873	0.901	0.049	0.059

Regression weights were calculated using AMOS to test the hypotheses. The values of test were falling under the acceptable range hence both of the hypotheses were accepted. Results of hypotheses testing are given in table 3.

**Table 3 Regression weights**

	Hypotheses	Estimates	Std. Error	P	Decision
Pay → Job Satisfaction	H1	0.518	0.029	0.00	Accepted
Promotion → Job Satisfaction	H2	0.601	0.024	0.00	Accepted

## 5. DISCUSSION & CONCLUSION

This is where you will be discussing more of the results of your research, its implications on other fields as well as the possible improvements that can be made in order to further develop the concerns of your research. This is also the section where you need to present the importance of your study and how it will be able to contribute to the field.

After the data analysis, it is found that most of the job holders were married and their financial needs are more than that of un married employees. So they will be more satisfied with their jobs if they are provided with smart pay packages. The second question in the demographic section was about the residency of the employees. Majority of the employees were living in company's accommodation and belong to the other cities. Few employees were claimed that they come to their jobs daily from their homes. The employees belong to other cities, also have to spend money for their food, laundry etc. Hence there was a motivation for them if they are provided with extra benefits from the company or handsome pay packages. Correlations among the three variables were tested using SPSS. The values of correlations among the variables are showing that there exists a significant correlation.

After data analysis, it was found that attractive pay and promotion packages satisfy the employees. The employees at stock boy level want to get their selves promoted as salesman, because their salaries also increase due to their promotion and if there are chances for their promotion, they will be satisfied with their jobs. Similarly, employees who are working as salesmen focus on their sales to increase their commissions and bonuses to increase their salaries as well as to be promoted as assistant branch manager.

During the research, another thing was found that if the employee is not satisfied with the company/ job, he/she will not be able to work efficiently and hence, the sales will be affected negatively. Furthermore, most of the respondents claim that company should also provide them with free medical and education facilities for their children as well as the insurance policies for themselves. Hence it was found that not only the pay and promotion have their influence on job satisfaction, but there are some other factors too. It created a need for future research to check the impact of non salary benefits on job satisfaction of the employees. Furthermore, the future researchers should also increase the sample size to make the results more accurate and reliable.

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