

The Impact of Pay Satisfaction and Job Stress on Job Satisfaction in Pakistani Firms of Gujranwala District

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Abstract

Job is the most important part of life for career growth and financial soundness of a person. If one person is dissatisfied with the job then he is unable to set any goals and objectives in his professional career. Job Stress diminishes the performance and effectiveness of the employees at the workplace. The purpose of this study is to examine the impact of pay satisfaction and job stress over job satisfaction among the managers and employees working in different industrial sectors (Ceramics, Cutlery, Plastic, Paints, Electronics, Poultry, and Crockery etc.) of Gujranwala, Pakistan. Questionnaire was used to collect the information from employees, managerial as well as non managerial. Overall 200 questionnaires were distributed among which 180 were received which were useable for a response rate of 90 %. SPSS 17.0 was used to analyze the data. The impact of pay satisfaction and job stress over job satisfaction is 26.9%. About 11.1% variation in job satisfaction was due to the job stress and of about 47.8% variation in job satisfaction was due to the pay satisfaction. Results concluded that pay is very important for job satisfaction while job stress negatively associated with job satisfaction. No doubt stress has a great negative effect on job satisfaction but if employees get handsome income or pay, it can reduce the bad effect of stress.

Keywords

Pay Satisfaction, Job Stress and Job Satisfaction, Pakistan

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1. Introduction

Employment is the most important constituent of life from earning perspective and it helps to maintain a living standard. Stress is a situation in which a person has to perform his task efficiently and effectively under some sort of pressure from higher management. Stress is inversely proportional to job satisfaction and pay satisfaction is directly proportional to job satisfaction. Lower the stress and higher the pay satisfaction will lead to more job satisfaction and vice versa. Most of the people around the globe, having professional competencies, are doing their jobs due to the

organizational job competitiveness by ignoring the stress factor which affects their effective working and daily routine of life.

Organizations having high reputation try to provide their employees, a favorable and friendly environment where they can work productively for the wellbeing of the organization, by remaining satisfied with their jobs and by keeping themselves unstressed (Folkman & Lazarus, 1990). The organizations who do not value their employee finally disappear from this universal market of global competition. Various researches have been organized inside and outside the country to evaluate the relationship between employee and employer, peer to peer relationship, extent of job

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satisfaction with the sole purpose of enhancing the satisfaction on the job (Hobfoll, 2002). The purpose of this study was to examine and see the relationship between job satisfactions, job stress and pay satisfaction among the managers and employees of different industries of Gujranwala, Pakistan.

2. Literature Review

Job satisfaction is used as a key tool to evaluate the effectiveness of organizational health as service quality which depend upon the human capital which is needed to be focus to reduced the job stress level of the employees (Crossman & Abou-Zaki, 2003). Stress is a situation that is affected by the external factors which pertains in organizational climate it enhances the persons capabilities of efficiently performance of their tasks according to the required resources and this efficiency depend upon the justified reward system which the employees expects after accomplished their organizational objectives. (McGrath, 1976).

For the measurement of pay satisfaction, we observed its various dimensions, specifically satisfaction with pay rises, benefits, incentives structure and remuneration increment level. (Currall, Towler, Judge, & Kohn, 2005) proposed that four dimensions of job satisfaction are individually associated with organizational outcomes. Previous studies proposed a relationship between pay satisfaction and the expected outcomes at the organizational level. The investigation of (Schneider, Hanges, Smith, & Salvaggio, 2003) combined the survey of job satisfaction and organizational financial performance, they used longitudinal data that allowed the authors to examine the relationship between satisfaction and performance whether there exist a causal relation or correlation. (Ahsan, Abdullah, Fie, & Alam, 2009) confirmed with their studies that satisfaction level of the employees is associated with job stress if employees are satisfied with the management workload, allocation of duties and their way of performance appraisal then job stress level of employees is minimal in that organizations. According to (Opeke, 2002), female employees are progressively leading the organizations and they are not only working in the operational level but now also involved in top level management and efficiently making the strategic decisions. Now world become global street but still women faces discrimination obstacle of male and female in the workplace. Females are now actively participated in all the professions and according to the May, 2000 Beijing Platform for Action women facing the different obstacles in all the fields such as work empowerment pay rate and working environments, education, heirloom rights, promotion opportunities,

employment as well as household responsibilities of the women. (Malik, 2011) studied the stressors in the working environments of banking sector in public as well as private sector like more work demand in less time raises the conflict between top level hierarchy and lower level employees.

Abdullah, Uli, and Parasuraman, (2009) proposed that there are some other factor which are relevant to compensation and pay like working environment, fellow worker, promotion system, work with worker and relation with other department employees. Bytyqi, Reshani and Hasani, (2010) in their research observed the extent of work stress, satisfaction with their jobs, commitment towards their work in an organization and the effect these work environment measurements have upon each other and by this we concluded that there exist a high level of job satisfaction, organization commitment and work stress among employees working in a specific environment.

Khalid and Irshad, (2010) examined the constituents of job satisfaction which are performance, pay, promotion, remuneration, and appreciation besides overall job satisfaction, their results concluded that employees working private sector banks were more gratified with their salary, acknowledgement, and working hours as compared to employees of public sector banks, whereas the employees of public sector banks were happy with the security of their jobs. Ram, Khoso, Shah, Chandio and Shaikih, (2011) found that majority of the managers who were employed at different organizations were under stress, their results showed that 80% of the workers are not able to entirely employ their abilities because of the stress.

Malik (2011) observed different factors in his studies which includes surplus work, undefined role, conflict of role and absence of higher management support in the organization contribute towards professional stress. Heneman and Judge (2000) concluded, "Research has unambiguously shown that pay dissatisfaction can have significant and undesirable effect on numerous employee outcomes". Previous researches defined Pay satisfaction as the amount of overall positive affect (or feelings) individuals have towards pay. Reinforcement theory proposed by (Skinner, 1953) which suggests that pay is associated with the performance of the employees and used as supporting tool because with the help of it one can achieve its primary objectives.

3. Methodology

3.1. Sample

The target population of the study was managers and employees of different industries of Gujranwala, Pakistan and sample size of the population was 180. The data is

gathered through closed ended questionnaire as a tool of survey instrument which is distributed among the respondents. 180 questionnaires were received from the respondents of the different industries which are selected as a sample of the study. The sample size is taken from different sectors for the purpose of taking diversification regarding the job stress and pay satisfaction. The respondents in our sample size of the study were 19% female and 81% male.

3.2. Instrument Development

The composition of the instruments is basically it is divided into three parts. The first part deals with pay satisfaction, second part deals with job stress and third part deals with job

satisfaction. The scale which has been used for the measurement of job satisfaction and job stress indicate 1 “strongly disagree”, 2 “disagree”, 3 “neutral”, 4 “agree”, 5 “strongly agree” and for the measurement of pay satisfaction 1 “strongly dissatisfied”, “dissatisfied”, 3 “neutral” 4 “satisfied”, 5 “strongly satisfied”.

4. Theoretical Framework

In this diagram Job satisfaction is dependent variable and Pay satisfaction and Job stress are the independent variables as shown in figure 1.0.

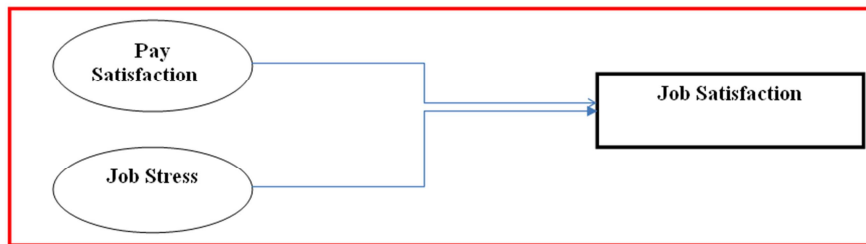


Figure 1.0. Theoretical framework

5. Hypotheses

On the basis of above literature following hypotheses can be developed;

H1: There exist a relationship between pay satisfaction and job satisfaction

H2: There exist a relationship between job Stress and job satisfaction.

6. Data Analysis

The study was conducted on 40 managers and 140 employees to evaluate the job satisfaction level in the organizations. We deduce after the evaluation of the variables of the

questionnaire that the majority of managers are satisfied with their job pay and organizational environment but conversely there are few employees which are satisfied with their jobs it means we can say that job satisfaction increases with the increase of designation of employees.

In demographical section 81% respondents were from male and 19% were from female respondents. Respondents from the age class of 25-29 were 46.4% and respondents responded very little in number from the age group of 40 or above which comprises of 9.4%. 42% respondents are married and 58% respondents belong to single class. 26.5% respondents are having 2-3 years working experience while the respondents having more than 10 years’ work experience responded very little in number i.e. 9.9%.

Table 1. Mean and correlations

	Mean	Standard Deviation	Job Satisfaction	Pay Satisfaction	Job Stress
Job Satisfaction	3.31	0.481	1		
Pay Satisfaction	3.22	0.525	.516**	1	
Job Stress	3.05	0.619	-.277**	-.346**	1

Table 1 explain that the Pearson co-relation between job stress is weakly negatively co-related and job satisfaction is weakly negatively co-related (i.e. -.277). Pay satisfaction is moderately positively co-related with job satisfaction (i.e. 0.516). Job stress and pay satisfaction are moderately negatively co-related with each other with the value of (-.346). The data which we have retrieved is having zero significance level, which we can see from 1-tail test in table 1.

Table 2 shows the model summary which explains that Co-efficient of co-relation is 0.526 and co-efficient of determination is 0.277 and adjusted R square which is the most refined form of co-efficient of determination is 0.269. The impact of pay satisfaction and job stress over job satisfaction is 26.9% and other variables that affect job satisfaction are related to environmental, social, workplace and political factors. About 11.1% variation in job

satisfaction was due to the job stress and of about 47.8% variation in job satisfaction was due to the pay satisfaction as shown in table 2.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526a	0.277	0.269	0.411

a. Predictors: (Constant), Pay Satisfaction, Job Stress

7. Discussion

The impact of pay satisfaction and job stress over job satisfaction was tested on 40 managers and 140 employees belong to different industries of Gujranwala, Pakistan. The data is gathered through closed ended questionnaire as a tool of survey instrument which is distributed among the respondents. 180 questionnaires were received from the respondents of the different industries which are selected as a sample of the study. The sample size is taken from different sectors for the purpose of taking diversification regarding the job stress and pay satisfaction.

Job stress is weakly negatively co-related with job satisfaction i.e. -0.277. Pay satisfaction is moderately positively co-related with job satisfaction i.e. 0.516 and if you see the relationship with job stress and pay satisfaction than these two variables are moderately negatively co-related with each other with the value of -0.346. The impact of pay satisfaction and job stress over job satisfaction is 26.9%. About 11.1% variation in job satisfaction was due to the job stress and of about 47.8% variation in job satisfaction was due to the pay satisfaction. Because both pay satisfaction and job satisfaction have an impact over the job satisfaction which is proof by table. By applying Cronbach Alpha to check whether the data is reliable or not we conclude that the output of alpha test is 0.767 positive. If the alpha is less than the 0.70 value it means that the study is not acceptable in most social sciences studies but if it is greater than 0.70 it is acceptable.

8. Conclusion

The results of the study shows that pay plays the greater role for job satisfaction as compare to job stress. No doubt stress is effecting job satisfaction but if they get handsome income or pay then it can overcome the effect of stress. Job satisfaction is dependent on the pay satisfaction and job stress. If pay is not according to the desire of the person the

satisfaction level is not much high and the pay satisfaction is negatively co related in this case. As in job stress if stress is high the satisfaction level is low and result is also negative.

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