

Impact of Pay Promotion and Recognition on Job Satisfaction (A Study on Banking Sector Employees Karachi)

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Abstract

The major purpose of this research is to analyze the impact of extrinsic and intrinsic motivation on job satisfaction of employees working in commercial banks (Karachi). This research tries to understand how much employees are satisfied with their pay, promotion as extrinsic motivation and recognition as intrinsic motivation. Or in other words this research aims to find the significance of Pay, Promotion and recognition on Job satisfaction. The study involved using questionnaire filled by 358 employees working in various commercial banks in Karachi. Mainly the data is collected from Junior and middle level of employees belonging to different age groups. Regression analysis, Pearson correlation was used to prove the hypotheses. When the statistical tools are applied to the data we came to know that the Pay, Promotion and recognition has a positive and significant impact on job satisfaction meaning the employee consider all 3 factors important in achieving job satisfaction. However, the most significant relationship and impact is of recognition) with job. The level of pay is not more important than other variables (promotion and recognition. This research will help the banks to understand the impact of pay promotion and recognition on job satisfaction and will help them to improve their compensation strategy and keep a balance between extrinsic and intrinsic rewards.

Keywords: Pay, Promotion, Recognition and Job Satisfaction

1. Introduction

The main purpose of human resource department is to not only create person organization fit that is to choose the right applicants for their organization but also the job is to fit the right work for the right person and also ensure that the individual is satisfied by the work he is doing. Many researchers have claimed that happy employees lead to happy customers (Morgan, n.d.). Today employees are considered as an asset for the organization as it is not possible for survival without them. In order to ensure that the best employee be loyal to the firm Job satisfaction is necessary. Job satisfaction will enable individuals to be more innovative and hardworking. There are various factors that can lead to job satisfaction: environmental and work related such as pay, promotion, acknowledgement or recognition, autonomy supervisor/manager support, and the work itself. The impact of these factors depends on the individual as to how much weight he gives to each factor and measures satisfaction level with each of these factors.

In order to ensure that these factors lead to job satisfaction, the organization should not only focus on giving a good compensation package but also give a pleasant work environment. This research paper will basically measure the relationship of three of those factors to job satisfaction of employees working in banks. The paper will focus on pay, promotion and recognition. This paper will try to find out which of these factors matter most to the employees today in order to achieve satisfaction or in other words how much satisfied are they with these factors.

Job satisfaction can be defined as how happy an employee is with his job. If the nature of works and the rewards both monetary and non-monetary is according to the employee expectation he tends to be satisfied with his job. If not then it will result in a dissatisfied employees that might lead to increase in turn over. People productivity, creativity increases when they are happy with their job, because they tend to be more attentive and show more dedication towards their work. Therefore employee satisfaction is really important for the organizational growth.

Rewards and Recognition have a prominent impact on job satisfaction. The human resource department should ensure that while setting the strategies for the rewards and recognition they should keep

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equality in mind for the best outcomes in terms of high productivity and performance as well as proper market analysis should also be done as to how other firms/banks are working on the satisfaction of their employees. Various theories are defined by various researchers and authors related with job satisfaction such as Herzberg two factor theory, range effect theory by Locke. Each theory gives indication that both monetary and nonmonetary rewards are important for employees.

Pay is considered as monetary and extrinsic reward, which include salary, bonus, and cost of living allowance etc. It is necessary that the pay should be equal to the work an individual does. If the pay is not perceived to be equal to the workload, it leads to dissatisfaction and the motivation level of employee is affected. When the pay is given according to the performance it tends to produce more promising results in terms of employee productivity and job satisfaction. While setting pay for employees the human resource department should keep in mind internal and external equity that is the pay should be according to the market rate and pay should be equal to the same level of subordinate or coworker's pay, otherwise it will result in dissatisfaction. In addition, pay should be given according to the skill and experience of the employee. Moreover pay should be given in a fair manner without any gender discrimination and nepotism but in our Pakistani society nepotism exist and at times employees are not paid according to their work load. One of the factors of inappropriate pay can be recession or the company policy.

Promotion means climbing the corporate ladder or in other words when an individual moves from one designation to a higher one it is considered as promotion. For some people the key for job satisfaction is promotion. They feel that their status has improved which gives them power and satisfaction. Promoting employees to improve job satisfaction can be tricky unless there is justification that promotions will actually resolve issues pertaining to job satisfaction. The reason why employee wants promotion vary from person to person. Some want promotion because they are bored with their current job and feel like that their expertise are not utilize properly, some want to be promoted because they may not be having good relationship with their supervisor or simply they want to have a higher status job. All these factors leads to job satisfaction (Ruth Mayhew). Pay and promotion is a part of extrinsic rewards and extrinsic rewards are monetary in nature.

Recognition can be defined as verbal appreciation for the work an individual does, to acknowledge the efforts and to say good work or well-done, pat on the back are ways to saying that the employees work is recognized and when the employees get appreciated for the efforts they have done, it makes them more enthusiastic, satisfied and gives them the feeling that they and their work has worth. This will also increase their productivity levels. In other words Recognition helps to increase the morale of the workers. It tells employees how valuable they are for the organization and how much organization needs them. Lack of Recognition may not be a very dominant factor that will directly lead to dissatisfaction unless an individual who excels in his work and is the reason for organization's profits, If the work of such an employee is continuously disregarded and not appreciated or rewarded, such behavior will lead to dissatisfaction.

Banks have always been an important sector of economy. Banks provide various functions such as to make profit from the public funds by lending money to the borrower and charging a certain percentage of interest as per state bank policy. Banking sector has improved a lot in Pakistan from past few years. Banking Industry is flourishing in Pakistan in terms of both Islamic and non-Islamic, commercial and noncommercial banks (local and foreign both). But due to poor economic condition there is a decrease in employee satisfaction and retention. There was a time few years back when banking sector employees got huge bonuses and benefits, but today those benefits are reduced because of the economic conditions and thus also resulting in decreased levels of satisfaction. This study will try to determine which factors matter most to the employees of banks.

1.1 Objective of the Study

The objective of the study is to determine the impact of pay on level of job satisfaction of employees, the impact of promotion on job satisfaction of employees, and the impact of recognition on the level of job satisfaction of the employees. This research is investigating if employee's job satisfaction will be enhanced by higher pay, career progression, and more recognition for their efforts on the job.

1. To examine the impact of pay, promotion and recognition on job satisfaction.
2. To identify the most significant factor that influences job satisfaction.
3. To identify the relationship of pay, promotion and recognition with job satisfaction.

1.2 Scope of the Study

The primary focus of this research is the Banks in Karachi mainly commercial bank. This study collects data from junior and middle level employees working in banks. It includes male /female employees. This research is on an assumption that all the policies of State Bank and Commercial Banks related with their compensation and employee wellbeing in banking sector remains same during the course of this study.

1.3 Problem statement

The banking sector of Pakistan has been the backbone of Pakistan's economy for the last two decades. Yet, they still face a problem of retaining and engaging their employees. Motivation plays an integral part in employee engagement. Organizations are spending millions of dollars on consultants to figure out the best way to motivate employees. This research is geared towards finding what impact does pay, promotion, and recognition have on employee's performance and furthermore which of these is more important for enhancing employee's job satisfaction.

The hypotheses formulated are therefore:

Hypothesis 1: Pay has no significant impact on job satisfaction

Hypothesis 2: Promotion has no significant impact on job satisfaction

Hypothesis 3: Recognition has no significant impact on job satisfaction

Hypothesis4: The level of pay isn't more important than other variables (Promotion and recognition)

2. Literature Review

Job satisfaction is considered as an important issue for human resource management. Job satisfaction depends on many things including choosing the right candidate for the right job, giving them the right sets of responsibilities and work environment. It is one of the factors that will determine employee readiness to stay in the organization. The characteristics of the company which includes: environment, individuals, and job itself creates an individual perception and satisfaction leading the organization to make a decision leading to the intention to continue or leave the organization. (Hand and Meglino, 1979), (Irvine and Evans, 1995) have described work characteristics significant to satisfaction, for e.g. work routine, level of authority and feedback from peers, value of the job, understanding how well the job or duties are defined, means that there should be no role conflict or role ambiguity arising from the job. In addition, the characteristics of the job environment also play a major role in determining the factors that lead to satisfaction.

Formally job satisfaction is defined by various scholars such as (Hoppock, 1935) defined job satisfaction as "any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job"

In 1976, Locke described job satisfaction as; a positive, pleasurable emotional state resulting from the appraisal of one's job and the job experiences.

In 2007, Kalisiki defined job satisfaction as when the worker achieves self-actualization on the job. Job satisfaction is doing a job that one enjoys, doing it properly and then being rewarded for the effort one puts in. Therefore, it is straightforward to say the least that satisfaction is positively linked with productivity and a person's self-esteem. Job satisfaction is the key element that leads to acknowledgment, pay, promotion, and the accomplishment of other goals that lead to a feeling of fulfillment. Moreover job satisfaction implies passion and commitment with one's work

According to Statt (2004) Job satisfaction can be defined also as the degree to which an employee is pleased with the compensation he gets from his job, mainly in terms of non-monetary or intrinsic motivation.

In 2011, Nimalathan, B & Brabete, V concluded that a positive association exists between an employee's satisfaction on the job, employee's level of performance and factors such as equality in terms of promotion, appropriate compensation system and appropriateness of work. In addition to this there is a positive relationship between job satisfaction and healthy work environment.

In 2010 Abdulla, J., R. Djebarni, K. Mellahi in their finding defined it as the extent to which a job is liked by a worker. Job satisfaction is basically a set of beliefs, attitude and feelings that employees have about the job they are doing. The job satisfaction level of employee can range from highly satisfied to highly dissatisfied. Workers can form attitude about various aspects of their job such as, their supervisor and subordinate behavior, pay, autonomy (George, J.M. & Jones, G.R, 2008).

Employees have their own set of needs, demands, wants, desires that need to be considered. As a result of job satisfaction employee will be able to perform more effectively and efficiently which will leads to better performance and higher productivity.

In 1997, Ting, Yuan stated that there are 3 factors through which job satisfaction is determined which are: individual, job and organizational characteristics. The results of the research showed that job characteristics for example satisfaction with the pay, promotional opportunity, job/task significance and clarity, skills utilization, as well as organizational characteristics which include: organizational loyalty and relationship with supervisors / coworkers had constantly considerable effects on the job satisfaction of federal government employees.

Mullins (2005) in his studies said that; Job satisfaction is a complex and comprehensive concept, different people have different concept or give different meaning about it. Motivation is sometime linked with job satisfaction, with uncertain results. Motivation and satisfaction are not intermittently similar. It is something which shows in the employee's personality in the form of attitude and mindset. For example the employee might feel a sense of accomplishment and that he is working for a higher cause.

Job satisfaction is influenced by many factors which include extrinsic and intrinsic both. Extrinsic factors or rewards are more monetary in nature and are outside to job; they include factors such as pay incentives, fringe benefit, and promotion (Mottaz, 1985), (Mahaney & Lederer, 2006). Extrinsic rewards are used to demonstrate that organization is concerned about valuing individual's and team contribution to quality (Balkin & Dolan, 1997) whereas, intrinsic factors/rewards are non-monetary in nature. They are those factors which include the job itself, these include independence, acknowledgment, support from the subordinate, personal growth etc. (Mottaz, 1985). Intrinsic rewards increases the feeling/sense of achievement and self-esteem, (Honig-Haftel & Martin, 1993). According to (Herzberg, Fedrick, 1966), a real or true satisfaction of employee comes from intrinsic factor /motivators such as recognition, responsibility etc.

According to a survey done by Centers & Bugental in 1966 it was established that people sitting at higher levels give more emphasis to intrinsic characteristics such as nature of work, freedom of expression, authority and responsibility as important and the lower level tend to give importance to compensation, security and colleagues that is basically focusing on external factors. Job satisfaction will lead to employee commitment where as if the employee are not satisfied with their job and work environment this will lead to increase in employee turnover, absenteeism, grievances and sabotage etc. Andrew (2004) states that, loyalty of all workforce is based on rewards and recognition.

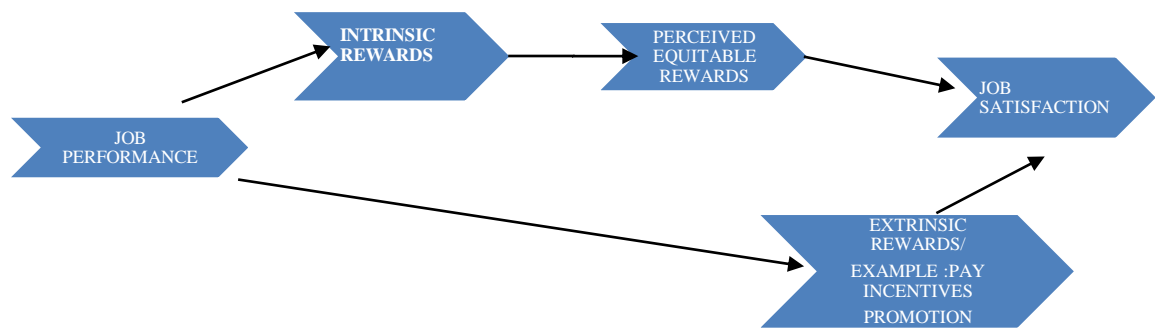
Although there are many theories written by various authors regarding job satisfaction but one of the famous theory is written by Locke in 1976. According to this theory the job satisfaction of employee depends upon two factors which are 1) the individual expectation about the job 2) actual thing he will be doing, the lesser the gap between these two factors, the more job satisfaction is achieved.

Herzberg in 1959 has explained 2 factors that could lead employee towards Job satisfaction. This theory is known as two-factor theory. These two factors are motivational factors which include bonuses, salary; promotion, Recognition etc. This will help employees to perform better thus leading to satisfaction.

The other factor is Hygiene which includes: non-financial employee benefits, the work place environment, and the company's policies.

Lawler and Porter in 1967 had shown a more significant impact of rewards on job satisfaction. This model states that employee perception of compensation effects job satisfaction and not just the extrinsic and intrinsic factors. Following figure will explain this theory further.

Figure 1: Lawler's and Porter's Model of Job Satisfaction (Lawler And Porter, 1967)



Another model is given by Hackman and Oldham (1975). This model is based on the characteristics of the job which can affect individuals and include skill variety, task identity, and significance of the task, autonomy, and feedback/evaluation. The first three factors that is skill variety, task identity and task significance can affect a person way of thinking or perception regarding meaningfulness of the work. Autonomy on the other hand represents independence a worker experience during his work and this will help to increase the sense of responsibility in that individual. And the feedback or evaluation which either comes from supervisor or human resource department tells employee how well he has done his job or where he stands in terms of performance this will help him/her to improve his/her productivity.

Reimbursement and performance based pay is a management tools that help in motivating employees to increase their productivity and reduce turnover. Pay and other incentives include salary, bonus, paid vacations, pension and many other financial rewards .In the research done by Akintoye, in 2000 made emphasis that money still remains the most vital motivational strategy that will lead towards job satisfaction. In his book Banjoko in 1996 writes that managers can use money to either reward or punish employees. By giving rewards to employees for higher productivity and by inculcating fear of loss of job or other related issues for e.g., no annual increment / promotion due to poor performance. In spite of the fact that monetary rewards are an important source that motivates individuals and leads towards job satisfaction but there is no certainty for the assumption that paying employees more will result in superior performance, in the long run. As Herzberg in 1968 had argued, that giving employee less money can create dissatisfaction and de-motivation, it doesn't mean that giving more money will increase satisfaction or increase motivation. There are many other researches and employee happiness surveys which show that financial/monetary rewards are not the answer towards job satisfaction. Lawler in 2003 argued that in order to know how much a reward is attractive, there are 2 factors one has to keep in mind that is; the amount of the reward which is given and secondly how much weight age one gives to that reward. Carolyn Stringer, Jeni Didham and Paul Theivananthampillai in 2011 describes in their finding that while setting pay on the basis of performance it is important to keep in mind that they should be fair and just. The perception of the pay fairness or equality is often based on social comparison.

On the other hand recognition is equally important. If a person is not appreciated or acknowledged for the good work he/she has done, it will create dissatisfaction. But it is not considered as a major factor that affects satisfaction level of employee unless an employee's work is consistently disregarded.

Organizations are currently focusing on creating a balance between employee's commitment and organization's performance. The organization can through its actions show that it is willing to recognize and reward superior performers to attain more commitment from their employees (Qaiser, Rizwan, Ali, 2010). In a research done by Eastman in 2009, he finds that internal motivation is helpful to producing innovative work, and we know that recognition is a part of intrinsic reward. (Deeprouse, 1994) states in his research that effective recognition and reward system can play a vital role in increasing the motivation level of the employees and thus provide them with enhanced job satisfaction which will eventually result in more productivity.

Promotion is defined as elevating employee at a job of higher significance and compensation level (Lazear, Edward, 2000) or in other words it is basically shifting employee in an upward hierarchy that will increase their level of responsibility (Lazear, Edward, 1986). Promotions are considered as significant aspect of one's career life. The perception of justice by the employees is the leading factor in determining the relationship between job satisfaction and promotion (Malik, Qaiser, Munir, 2012). (Kosteas, Vasilios D, 2010) states that expectation related to promotion can also play a vital role. Those Employees who realize that they are not going to get a promotion this time will reduce their work effort, unless they believe that they are still in the hunt for future promotion. On the other hand, employees who consider that a promotion is likely to happen in the next two years report higher level of job satisfaction. In short we can say that Promotion is an effective tool for firm to produce a positive behavior from their employees and also to maintain a greater level of job satisfaction by making workers believe that a promotion is possible. (Robbins, 2001) states that promotions construct the chance for individual growth, increased levels of accountability and also increases social standing. According to (Shields and Ward, 2001) employees show dissatisfaction and greater intension to leave the organization, when they are not given opportunity to be promoted.

According to the research done by Kelly-Radford (2001) there is a greater risk of failure when the employees are recruited externally rather than promoted internally. Employee tends to be satisfied with their place in the organization when they perceive that there are fair chances for promotion (De Souza, 2002). According to Flynn in 1998 the major aim of reward and recognition is to first define the system to pay and then effectively communicate that system to employee so that they can create a link between their reward and performance which will lead to Job satisfaction.

3. Research Methodology

The research design used in this paper is causal method and correlational method. It is used to determine how pay, promotion, recognition are related to job satisfaction of employees working in banks. Also, the research is trying to figure out which of the three variables are more important for job satisfaction. The research is quantitative in nature.

The focus of this research is commercial banks of Karachi and the respondents are junior and middle level employees working in following bank: Bank Alfalah, Albaraka Islamic bank, Faisal bank, MCB, Bank Al-Habib, Bank Islami etc. etc.

Questionnaire was used to collect data based on Likert scale. Likert scale ranges from 1 - 5 increasing the level of satisfaction as the numbers increase. 1 stands for Least Agreement, 2 for Marginal Agreement, 3 for Moderate Agreement, 4 for Agreement and 5 for Strong Agreement. The Questionnaire in this research has already been used in published material. Job satisfaction questions are taken from the questionnaire Published by PMW. The variables Pay, Promotion and Recognition are measured based on Debeer M.J questionnaire and is also used in a unpublished thesis by Roshan Levina Roberts of University of the Western Cape in November 2005. The data is collected via online and physical questionnaires. The source of data used in this research is primary in nature and was collected from the managers working in the banking sector of Pakistan.

The non-probability sampling has been used. The selected sample size is 358, which was collected from the managers working in banking industry of Pakistan. The information was gathered from Junior and middle level managers of these banks. The data has been treated through SPSS software for analysis of variables. Hypothesis H_{10} , H_{20} , H_{30} are examined through Estimation, Pearson correlation, two tailed test and H_{40} is examined through one way ANOVA (Pay, Promotion, Recognition).

4. Data Analysis

Table No.1: Chronbach's alpha

Constructs	No of Items	Cronbach's alpha
Pay	4	.616
Promotion	3	.739
Recognition	3	.721
Job satisfaction	5	.832

The Chronbach's alpha of the items shows that there is inter item reliability. All the values of the chronbach's alpha are above the 0.6 threshold. Three of the values are above the 0.7 limit and only one of them is below the 0.7 limit.

Table No.2: Descriptive Statistics

	Mean	Std. Deviation	N
Employee_Satis	3.2726	.90209	358
Employee_Pay	3.0126	1.13058	358
Employee_Promo	3.1508	1.11698	358
Employee_Recog	3.3142	1.04556	358

The descriptive statistics show that the data is normally distributed as the standard deviation is about the 1 mark and the mean is approximately 3.

Table No. 3: Correlations

		Employee_Satis	Employee_Pay	Employee_Promo	Employee_Recog
Pearson Correlation	Employee_Satis	1.000	.559	.660	.655
	Employee_Pay	.559	1.000	.604	.439
	Employee_Promo	.660	.604	1.000	.546
	Employee_Recog	.655	.439	.546	1.000
Sig. (1-tailed)	Employee_Satis	.	.000	.000	.000
	Employee_Pay	.000	.	.000	.000
	Employee_Promo	.000	.000	.	.000
	Employee_Recog	.000	.000	.000	.
N	Employee_Satis	358	358	358	358
	Employee_Pay	358	358	358	358
	Employee_Promo	358	358	358	358
	Employee_Recog	358	358	358	358

Pearson's correlation was generated to find out if there was any multi-collinearity in the data. None of the variables have a correlation coefficient of more than $r = 0.700$ and therefore there is no multi-collinearity in the data.

Table No.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 ^a	.581	.577	.58658

a. Predictors: (Constant), Employee_Recog, Employee_Pay, Employee_Promo

The adjusted R square shows that the when adjusted for degree of freedom, the model predicts 58% of the time the changes in the independent variables to affect the dependent variable job satisfaction.

Table No.5: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	168.710	3	56.237	163.444	.000
	Residual	121.802	354	.344		
	Total	290.512	357			

a. Dependent Variable: Employee_Satis

The Significance value of 0.000 shows that the model is predictable at 0% significance level.

Table No. 6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.858	.114		7.506	.000		
Employee_Pay	.147	.035	.185	4.219	.000	.618	1.619
Employee_Promo	.271	.038	.335	7.145	.000	.537	1.861
Employee_Recog	.337	.036	.391	9.385	.000	.683	1.463

Dependent Variable: Employee_Satis

The p-values are all under the 5% significance level and therefore, employees pay, employee's promotion, and employee's recognition are significant in explaining employee's job satisfaction. Recognition has a beta value of 0.337, which shows that it had the most impact of the three explanatory variables, followed by Employee promotion at 0.271 and employee pay at 0.147. Since all of the Beta coefficients are positive, these variable are therefore positively related to job satisfaction. This implies that an increase in these three variables will positively affect job satisfaction. The results prove that the first null hypothesis have been rejected since all values are showing a significance relationship and all the p-values are below the 99% significance level.

H1₀: Pay has no significant impact on job satisfaction. REJECTED

H2₀: Promotion has no significant impact on job satisfaction. REJECTED

H3₀: Recognition has no significant impact on job satisfaction. REJECTED

The data analysis shows that pay, promotion, and recognition have a significant impact on job satisfaction In order to test the last hypothesis, the one-way ANOVA test of comparing means will be used.

Table No. 7: One Way ANOVA

Descriptives								
Importance								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Employee Pay	358	3.0126	1.13058	.05975	2.8951	3.1301	1.00	11.00
Employee Promotion	358	3.1508	1.11698	.05903	3.0347	3.2669	1.00	5.00
Employee Recognition	358	3.3142	1.04556	.05526	3.2056	3.4229	1.00	10.50
Total	1074	3.1592	1.10423	.03369	3.0931	3.2253	1.00	11.00

Table No. 8: ANOVA

Importance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	16.328	2	8.164	6.768	.001
Within Groups	1292.001	1071	1.206		
Total	1308.329	1073			

4.1 Post Hoc Tests

Table No. 9: Multiple Comparisons

Dependent Variable: Importance

(I) Factor allocation	(J) Factor allocation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Employee Pay	Employee Promotion	-.13827	.08209	.212	-.3309	.0544
	Employee Recognition	-.30168*	.08209	.001	-.4943	-.1090
Employee Promotion	Employee Pay	.13827	.08209	.212	-.0544	.3309
	Employee Recognition	-.16341	.08209	.115	-.3561	.0293
Employee Recognition	Employee Pay	.30168*	.08209	.001	.1090	.4943
	Employee Promotion	.16341	.08209	.115	-.0293	.3561

* The mean difference is significant at the 0.05 level.

Table No.10: Homogeneous Subsets

Importance

Tukey HSD^a

Factor allocation	N	Subset for alpha = 0.05	
		1	2
Employee Pay	358	3.0126	
Employee Promotion	358	3.1508	3.1508
Employee Recognition	358		3.3142
Sig.		.212	.115

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 358.000.

Post hoc comparison to evaluate the level of importance among group means were conducted with the use of the Tuckey HSD test since equal variances were tenable. Tests revealed significant pairwise differences between the mean scores of Employee recognition and Employee pay. The test reveals that the most important factor is Employee recognition followed by Employee pay. Employee promotion is not significant as its significance value is higher than the 95% confidence interval. The significance level for employee promotion is 0.115 which is 11.5%. Test reveals that there is a significant difference in importance between employee pay and employee recognition, $p < 0.05$. Whereas there is no significance difference in importance between employee pay and employee promotion or employee recognition and employee pay, $p > 0.05$.

Therefore the hypothesis:

H₀₄: The level of pay isn't more important than other variables (Promotion and recognition).

This hypothesis has been rejected as pay is more important than promotion but less important when compared with recognition. The significance level of 0.001 shows that recognition is more important than pay, but pay is more important than promotion. Overall promotion has no importance when it is compared with either employee's pay or recognition.

5. Conclusion

To sum up, it can be concluded that employees of banks value all three factors in achieving job satisfaction that is Pay, Promotion and Recognition. To them both extrinsic factors that is Pay and promotion and intrinsic factor recognition has a significant impact on Job satisfaction. Although the level of significance is different, this is because of individual perception may differ for each variable, as to how much satisfied are they with the pay they get, chances of promotion and recognition. This significant relationship is proved using regression analysis proving all 3 hypothesis. All three null hypotheses were rejected. The literature review also supports the results for example Akintoye, (2000) he emphasized that money still remains the most vital motivational strategy that will lead towards job satisfaction. Herzberg, Fedrick (1966), states that a real or true satisfaction of employee comes from intrinsic factors/motivators such as recognition, responsibility etc. In short all three variables are important in achieving job satisfaction.

Hypothesis 4 talked about finding the importance of pay over promotion, pay over recognition, promotion over pay, promotion over recognition, recognition over pay, and recognition over promotion. The results were in agreement to the theory and practice. Pay and recognition were found out to be more important for job satisfaction than employee promotion. Companies can focus their attention towards recognition as it was found out to be the most important characteristic of job satisfaction. If companies are able to create HR policies that would promote employee recognition, this may lead to better job satisfaction. Employers will be able to reap the benefits of this study by saving cost because the research has found out that employee pay is of secondary importance. In addition to this, the employers can also find new and creative ways to motivate their employees.

5.1 Areas for Further Research

There is a need to do some research to find out the causes of promotion not being significantly linked to job satisfaction. Another area for further research is to find out what other factors have an impact on job satisfaction. Research can also be replicated by including a new sector in the research such as manufacturing or any other service sector like higher education institutes.

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