

**AN ANALYSIS OF JOB SATISFACTION AND WAGES OF THE WORKERS IN
RURAL INDUSTRIES OF DISTRICT LOWER DIR. KHYBER PAKHTUNKHWA-
PAKISTAN (A CASE STUDY OF CRUSH PLANTS, MARBLE AND FURNITURE
INDUSTRIES)**

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ABSTRACT

The current study was conducted with main objective to analysis wages and job satisfaction among industrial workers in District Dir. Lower, KP-Pakistan. Data was collected from 279 industrial workers of Crush Plants, Marble and Furniture Industries. The multistage random sampling was followed for collection of information from sampled respondents. The nature of the study was quantitative and cross sectional where Chi-square and Kendall's T^c tests were used to measure the association between independent statements of wages and dependent variable (wages of the workers). The association between the independent statements "I feel I am being paid a fair amount for the work I do" was significant and positive, wages of the workers and quality of the work was significant but inverse and for equitable amount of wages the association was non-significant and positive in direction. Based on Chi-square and Tau-c values, the association between equitable amount of wages as like other organization found significant and positive and for extra remuneration/overtime wages it was also significant and positive in direction. While this association was non-significant for independent statement of full and timely payment and I will consider to quit my job for another with better payment it was also non-significant in relation. The study conclude that fair amount of wages, full and in-time payment, overtime wages and equitable amount of payment were major concern of the sampled population. To safeguard minimum wages right of workers' the local company management should ensure the payment policy of government and revised their wages according to the national and international wages acts accordingly.

Key Words; Job Satisfaction, Wages, Workers, Rural Industries, KP-Pakistan

DEDICATION

This part of my research work is dedicated to my lovely Mother, who always praying for my successes

Introduction

Pay and wages are the amounts paid to the employee for their services and contribution in form of cash or goods usually based on the nature of duties and organizations. Further, it is the Wages are the recompense remunerated by the organization and parental department as a reward to the employee for their physical and psychological services in the organization (Das, 2020). Salaries and remunerations are considered important in the fortitude of workforce demand as well as the reliable availability of laborers in the market. Besides, the monthly, daily or even hourly income of employees bears a significant impact on the personal and family well-being of the workers (Murphy *et al.*, 1992).

Types of Wages

A. Salary

Salary is the net amount paid to regular employees in an organization; on monthly basis. It includes different weights usually based on the scale, job characteristics, and employee qualification as well. It varies from organization to organization in terms of basic pay and allowances amendable over time and promotion within the organization (Blakely-Gray, 2019).

B. Hourly Wages

In most informal organizations and private sectors like industries, corporations, and construction the laborers are usually rewarded for their time and duration of work or even their output production. The amount of work per hour or per day also varies from organization to organization and person to person within the same community (Das, 2020).

C. Extra Remunerations

Besides the salaries and hourly wages, the extra wages are the rewards in form of bonuses or other non-ordinary wages either in cash or commodities paid to employees on special occasions known as extra or supplementary remunerations (Murphy *et al.*, 1992).

D. Overtime Remunerations

Over time wages have been defined under the International Labor Organization Act; fair labor standard act (FLSA) where in the case of non-exempt workers the organizations have to pay an extraordinary amount for exceeding working hours to their workforce (Murphy *et al.*, 1992).

E. Commission

Commission pay is getting important in today's large-scale and modern corporations where the sale-man or other working forces are paid on the ratio and percentages of their progress. Commission pay also varies from corporation to corporation where some organizations pay commissions with regular salaries depending on the sale ratio of the employee while others follow only commission and workers are guaranteed a greater amount of commission concerning their progress (Blakely-Gray, 2019).

F. Minimum Wages

Minimum remuneration is the least amount of reward that might be paid to workers and servants either in formal or informal organizations. It is usually defined and modified by legislators of the states based on the economic position of the country (International Labor Organization, 2012). The least amount of workers may also be defined as any reserved consultant, expertise, judiciary, and even the provincial and local government department of the state. The main objective of defining and fixing of least amount of remuneration for employees is to safeguard the socioeconomic and psychological well-being of the poor working class and skilled occupational of the country (International Labor Organization, 2015).

Wages and Job Satisfaction

In today's modern industrial era and speedy changing management environment, almost all organizations are adopting up-to-date technologies as well as the measurement of employee satisfaction for betterment in the quality and quantity of products with affordable prices to the general public. Along with advanced and sophisticated technologies and huge capital investment, human resources management (HRM) also focuses on the motivators factors of worker satisfaction to make their investment effective as well as achievements of overall organizations goals (Dembe, 2005; Moon, Yoon, Lee, & Park, 2006). Further, along with the worker's satisfaction and enhancing productive capacities, the managers have substantial attention to uplifting outside clients' gratification over fulfillment of inner patrons of the organization, especially their wages.

A salary scheme is a compensation reward to workers for their contribution and also the different techniques of deciding the wage levels in an organization. The scheme is concerned to decide basic salary categories and ways of payment through multiple techniques design and distribution (Lee, 1997; Hee, *et al.*, 2012). In pay and wages; wage usually refers to additional more straight recompense of workers. Remuneration is the fulfillment of overall labor's financial demands for self-actualization and realization, which has been remain operational factor of job satisfaction (Folger & Cropanzano, 1998). Globally, the management of the wages system runs through the wages level in an organization. The wage level represents the overall

perfect human capital charge of a corporation. Under this system, the dissemination of the company's whole revenue is carried out in a particular way and specified categories based on the nature of the job and the skills of the organization's employees. If the attainment of passable income is significant for organizational advancement it is also a matter of extreme concern for management to follow sensible salary arrangements to assure a more impartial delivery of remuneration (Folger & Cropanzano, 1998; H. Heneman & Schwab, 1985).

The salary and remuneration gratification is the psychological comportment that workers practice in the shape of financial rewards they are receiving for their input contribution through management sectors of the company (UNIDP, 2018). Further, pay and wage gratification is a multidimensional issue and closely linked to pay level, pay structure, pay rise and pay benefits (Buckley, 1996). Due to such different levels, the degree of worker's pay satisfaction varies from person to person and even level to level of a single employee. A worker may satisfy with their existing level of payment but may not be for the annual increase in their salary. Similarly, one may feel satisfied with the salary but not for benefits received from the organization as a whole (Tekleab, & Taylor, 2005). Whatsoever, the pay gratification leads to the affective obligation, apparent determinant, and soft assurance consequently, substantial organizational development. Whereas less or no gratification of workers reduces pull factors for workers as well as customers of the corporation resulting in steady reallocation of workers, high ratio of absenteeism, high turnover ratio, less output production, and more particularly clash and conflict within the managerial staff (Lee, 2000; Vandenberghe & Tremblay, 2008). Similarly, Park & Yoon (1992) revive that reparation organism and especially financial return has significant social-personal inspiration on company employees and are treated as a standard for measurement of assessment and tool of evaluation in the modern organization.

Research Methodology

The nature of the current study was quantitative and cross-sectional. Before the actual administration of the study a pilot study was carried out with the help of PESCO staffs' to find out the actual numbers of industries and their labors strength in the study area. Due to easily accessibility, diverse nature of industries as well as high number of workers, the three major industrial sectors (Crush plants, Marbal and Furniture Industries) under the jurisdiction of PESCO sub division Chakdara, Timergara and Samarbagh were selected for data collection. The mandatory sample size for 932 industrial workers (Target Population) was carry out as 279 (Sekaran, 2003). Further, 279 sample respondents was proportionally allocated to each industries in the study population (101 workers from crush plants, 93 from Marble industries and 85 from Furniture industries), whereas the target population was studied through random sampling technique. For, proportional allocation of sample size, the Bowley formula was used (Baowley, 1926, Babie, 1989). For collection of primary information, a well-established interview schedule was followed. The reliability of

the instrument was assured through pre-testing and Cronbach's Alpha (0.6), sufficient for indexation and cross tabulation. Further, the collected information was proceeded through SPSS for further analysis alongside their results and appropriate discussion. Chi-square and Tau-c (T^c) tests were applied for measuring association between multiple statements of wages of the workers and job satisfaction where the data was indexed and analyzed at bivariate level.

Results and Discussion

Association between Wages of the Workers and Workers' Satisfaction in Rural Industries

The given tabulated information describes the association between wages of the workers and job satisfaction defines a significant and positive relation ($P = 0.001$; $T^c = 0.170$), between job satisfaction i.e. independent variable with dependent variable statements; that I feel I am being paid a fair amount for the work I do. Further, the association between wages and quality of work with job satisfaction is also significant ($P = 0.020$), but negative in direction ($T^c = -0.013$). In this regard, the finding of Park & Yoon, (1992) and Jun *et al.*, (2012) established that reasonable wages/pay is crucial for overall job satisfaction and quality of performance, especially for labor working in manufacturing industries. Further, it is one of the basic factors for a tempting constructive drive among workers for enhancing their quality performance within the organization (Chang *et al.*, 2006). It is thus stated that a fair amount of wages has a significant and recognized association with job satisfaction and quality of work. However, due to the greater availability of workforce, unemployment as well as the informal industrial setting in the study universe the quality of work does not depend on wages. The labor in rural industries usually works on very low wages with greater efforts to avoid unemployment and maintain their expenses.

The study also find a significant and positive association between job satisfaction (dependent variable) with the independent states, the amount paid to me is equitable as other organizations ($P = 0.006$; $T^c = 0.112$). The equity theory of Adams (1965), is strongly in link with the aforementioned results. This theory suggested a significant relationship between organizational goal achievements with impartiality in their compensation system. Similarly, according to the philosophy of social comparison, every worker compares their input with the wages paid to them as with their parental employment, with other organizations as well as individuals that is equitable to their services in operating community (Wallace & Fay, 1988; Cowherd and Levine 1992; Choi *et al.*, 2010). However, the relationship between the statement the amount offered in my industry is equitable is not significant ($P = 0.175$; $T^c = 0.122$) which is contrary to the work of (Cowherd and Levine 1992). This demonstrates that the laborers working in rural industries are unhappy with their internal wages (internal equity) and their remuneration does not match their performance. The industrial sector in the region faces several socioeconomic, political as well as environmental challenges a lack of government attention, high industrial expenses, and low productivity in the sector. Due to this the industrial

sector of the region are unable to pay reasonable and market-rate wages to their workers. It is thus stated that the satisfaction of industrial workers highly depends on the fair and equitable amount of wages they received from parental organization relative to their input performance in practices in the study population and there is no difference in the overall external wages system of the region.

The study further explore a significant and positive relation ($P = 0.010$; $T^c = 0.127$), between the statement for extra remuneration for overtime work in an industry with job satisfaction. This finding is highly in link with the studies of Groves *et al.* (1994), Jones & Kato (1995) and Taylor & Pierce (1999). The major finding of this research work confirmed that all positive incentives like overtime wages are the reward of workers for their efforts leading to increased performance and job satisfaction of employees of any organization.

The table further shows a non-significant association of the statement my company pays me in full and on time ($P = 0.323$; $T^c = 0.038$) with the job satisfaction of the workers. Further, the relationship between the statement I will consider quitting my job for another with better payment is also non-significant ($P = 0.539$; $T^c = 0.008$) with job satisfaction (dependent variable of the study). These findings are in contradiction with the finding of (Park & Yoon, 1992) and (Hee, Yeon, 2012). These studies conclude that full and in-time payment decrease absentees of the workers and the turnout ratio of workers for others with better payment. Studies report that there are many benefits of job satisfaction; for instance, employees with high satisfaction are unlikely to leave organizations (Egan, Yang & Bartlett, 2004). The satisfied workers tend to have higher job performance and out-put production (Judge *et al.*, 2001). Further, such workers have less absenteeism than those who are dissatisfied from their jobs (Hackett & Guion, 1985).

The table as a whole reveals that fair amount of wages, their consequences on the quality of the work, internal and external equity as well as full and in-time payment as majors concerns of the sampled population.

Table-1 Association between wages of the workers and workers' satisfaction in rural industries of the study area

S.No	Statements	Job Satisfaction			Total	Statistics χ^2 , (P-Value) & T^c
		Highly Satisfied	Moderate satisfied	Least Satisfied		
1	I feel I am being paid a fair amount for the work I do					
	Agree	12 (4.3%)	29 (10.4%)	29 (10.4%)	70(25.1%)	$\chi^2 = 18.677$ ($P = 0.001$) $T^c = 0.170$
	Neutral	14 (5%)	24 (8.6%)	17 (6.1%)	55(19.7%)	
	Disagree	15 (5.4%)	46 (16.5%)	93 (33.3%)	154(55.2%)	
2	My wages affect the quality of work I do					
	Agree	20 (7.2%)	50 (17.9%)	69 (24.7%)	139(49.8%)	$\chi^2 = 11.633$

S.No	Statements	Job Satisfaction			Total	Statistics χ^2 , (P-Value) & T ^c
		Highly Satisfied	Moderate satisfied	Least Satisfied		
	Neutral	11 (3.9%)	8 (2.9%)	29 (10.4%)	48(17.2%)	(P=0.020) T ^c = 0.-013
	Disagree	10 (3.6%)	41 (14.7%)	41 (14.7%)	92(33.0%)	
3	The wages offered in my industry is equitable					
	Agree	21 (7.5%)	45 (16.1%)	48 (17.2%)	114(40.9%)	χ^2 = 6.344 (P=0.175) T ^c = 0.122
	Neutral	5 (1.8%)	10 (3.6%)	13 (4.7%)	28(10%)	
	Disagree	15 (5.4%)	44 (15.8%)	78 (28%)	137(49.1%)	
4	The amount paid to me is equitable as other organization					
	Agree	19 (6.8%)	35 (12.5%)	45 (16.15%)	99(35.5%)	χ^2 = 14.582 (P=0.006) T ^c = 0.112
	Neutral	5 (1.8%)	28 (10%)	18 (6.5%)	51(18.3%)	
	Disagree	17 (6.1%)	36 (12.9%)	76 (27.2)	129(46.2%)	
5	I am paid extra remuneration for overtime work in industry					
	Agree	17 (6.1%)	38 (13.6%)	28 (10%)	83(29.7%)	χ^2 = 13.382 (P=0.010) T ^c = 0.127
	Neutral	4 (1.4%)	15 (5.4%)	30 (10.8%)	49(17.6%)	
	Disagree	20 (7.2%)	46 (16.5%)	81 (20.9%)	147(52.7%)	
6	My company pays me full and on time					
	Agree	16 (5.7%)	39 (14%)	51 (18.3%)	106(38%)	χ^2 = 4.666 (P=0.323) T ^c = 0.038
	Neutral	11 (3.9%)	13 (4.7%)	23 (8.2%)	47(16.8%)	
	Disagree	14 (5.0%)	47 (16.8%)	65 (23.3%)	126(45.2%)	
7	I will consider to quit my job for another with better payment					
	Agree	17 (6.1%)	45 (16.1%)	62 (22.1%)	124(44.4%)	χ^2 = 3.111 (P=0.539) T ^c = 0.008
	Neutral	10 (3.6%)	13 (4.7%)	20 (7.2%)	43(15.4%)	
	Disagree	14 (5.0%)	41 14.7%)	57 (20.4%)	112(40.1%)	

Field Survey 2022. Percentages are given in parenthesis

Conclusion

The study finding as a whole conclude that wages has a significant and recognized association with job satisfaction and quality of work. However, due to the greater availability of workforce, unemployment as well as the informal industrial setting in the study universe the quality of work does not depend on wages. The labor in rural industries usually works on very low wages with greater efforts to avoid unemployment and maintain their expenses. Majority of the labors working in rural industries are unhappy with their internal wages equity and their remuneration does not match their performance. Further, the industrial sector does not provide overtime wages for extra work in industries, and workers were in search of good job somewhere else for better payment; thus found highly dissatisfied from industrial services in the region.

Recommendation

Wages is one of the significant element of job satisfaction in the industrial sector of the region. In this regard the company owners and managers should ensure minimum wages (17500- 25000 PKR), overtime wages (150%), and as regulated by federal and provincial government time by time to industrial workers with full and timely payment, especially in the rural area of the study population. In this regard, the government should implement and revise the country's labor laws to safeguard the laborer's rights and link with international labor standards, especially, the act 2012, which falls short of ILO Conventions no 131 and 132 on labor wages.

Declaration of competing interest; None

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