

A Confirmatory Analysis of Pay Satisfaction Dimensions in Banking Industry

Nidhi*
Krishna Kumari**

ABSTRACT

Pay satisfaction as a multidimensional construct has significant importance for employees. It is also beneficial for the organization to understand employees' overall pay satisfaction. The way bank employees define the pay satisfaction concept is of significant importance for Human Resource Management in the Banking Industry. However, as the dimensionality of any construct depends on its cognitive complexities and because different people define the same construct differently. So it is required to confirm the overall dimensions of bank employees' pay satisfaction. Thus, this research is an attempt to confirm the dimensions of pay satisfaction among banking employees. For this purpose, data were collected from the 238 bank employees through the questionnaire method. The confirmatory factor analysis on AMOS 26.0 supports the multidimensionality of pay satisfaction. The results reflected that bank employees' pay satisfaction comprises four dimensions namely Pay Level, Benefits, Raise, and Pay Structure and Administration it collectively explains more than 70 percent variance of overall pay satisfaction of the bank employees.

Keywords: Pay Satisfaction, Confirmatory Factor Analysis, Multidimensionality, Employee Benefits, Employee Satisfaction

* Assistant Professor, M.D.U Centre for Professional and Allied Studies, Gurugram, Haryana, India. Email: nidhi00@gmail.com

** Research Scholar, M.D.U Centre for Professional and Allied Studies, Gurugram, Haryana, India. Email: krishna.parihaar711@gmail.com (Corresponding Author)

1. INTRODUCTION

The Indian service sector has a significant contribution to the economic growth of the country. The Indian service sector has experienced a growth rate of 9.4% in 2006- 07 and contributed 55% in India's GDP. This has increased to 66.1% in 2015-16 (Indian brand equity foundation report, 2017). As per the KPMG- CII report (2016) Indian banking industry is one of the fastest-growing industries of the service sector and it is expected to be the fifth-largest banking industry in the world by 2020. In recent times, banks are required to retain a more committed workforce that shows organization citizenship behavior and has less intention to leave. All this can be made possible through employee satisfaction in banking jobs. It has been found that employee satisfaction leads to better operational performance of the bank, low employee absenteeism rates and reduce employee turnover (Abuzid and Abbas, 2017).

Employee satisfaction depends on several organizational variables such as work, supervision, promotion, salary and benefits plans. An employee has different levels of satisfaction from these organizational variables (Monga, Verma and Monga, 2015). Some of the factors are more important than others such as compensation of employees. Pay satisfaction has the highest contribution to overall employee satisfaction at the banking job. (Nawab and Bhatti, 2011; Usman, Akbar and Ramza, 2013). It implies that pay satisfaction is one of the prerequisites of employee satisfaction. The satisfaction of Indian bank employees depends on the extent employee are satisfied with all monetary and non-monetary components of compensation (Sinha and Shukla, 2013; Chahal et al. 2013; Shukla and Tiwari, 2013; Sharma and Bajpai, 2011). Primary research conducted on Indian banks were based on employee job satisfaction; there was a lack of sufficient research that focuses on pay satisfaction of employees (Shrivastava and Purang, 2009; Sinha and Shukla, 2013; Monga, Verma and Monga, 2015). However, there is also limited research that focuses on overall pay satisfaction dimensions in banking, as the earlier research works usually measured pay satisfaction as a one-dimensional concept (Sharma and Bajpai, 2011; Vanniarajan and Thavara, 2012; Chahal et al., 2013). Thus, research is required that defines pay satisfaction dimensions to understand the overall pay satisfaction of banking employees. This study based on the

pay satisfaction dimensions given by Heneman and Schwab (1985). The objective of this research is to confirm the dimensions of pay satisfaction among Indian bank employees.

2. LITERATURE REVIEW

Pay satisfaction is the amount of positive or negative feelings that individuals have toward their pay (Miceli and Lane, 1991). Money works as a motivator for people that why the concept of pay satisfaction has significant importance in an organization. Pay satisfaction has significant importance in an organization as it leads to employee motivation, better performance, employee retention, and organization commitment (Stringer, Didham and Theivananthampillai, 2011; Usman, Akbar, and Ramzan, 2013; Hameed et al., 2014). High pay satisfaction among employees leads to high organization commitment and less intention to turnover (Currall et al., 2005; Nawab and Bhatti, 2011; Achchuthan, Jasingha, and Umanakenan, 2014). Lack of pay satisfaction causes employee turnover intention because inadequate pay becomes the reason that the employee left the organization (Motowidlo, 1983).

Initial pay research explains the factors that determine pay satisfaction. The employee feels pay satisfaction when they perceived their actual pay is equal to their deserve pay, and there is a fair administration of pay (Dyer and Theriault, 1967). Pay satisfaction was considered a result of a discrepancy between amounts of pay employees receive and the amount of pay they think they should receive (Lawler, 1971). Sense of individual equity is one of the strongest predictors of pay satisfaction in which individual perceives their actual pay equal to deserve pay (Berkowitz et al., 1987). Individual's deserve salary represent a slandered of pay comparison, that define how much individual is satisfied with their pay, people with high deserve salary are more dissatisfied compare to low deserve salary (Rice, Phillips and McFarlin, 1990). Also, there were continues research that explores how employee's job evaluation and pay differential at different job level and same job level among employee determine their pay satisfaction (Morgeson, Campion and Maertz, 2001; Dyer and Theriault, 1976; Rice, Phillips and McFarlin, 1990; Dickinson, 2006).

Earlier pay satisfaction was measured as one dimension of job satisfaction

through the “Minnesota satisfaction questionnaire” and “Job Description Index” of Smith, Kendall, & Hulin, (1969). Now there is a specific measure of pay, satisfaction is available that defines pay as a multidimensional construct that includes the satisfaction from the pay level, pay benefits, pay raise and pay structure and administration (Heneman and Schwab, 1985; Judge and Welbourne, 1993). Exploring the dimensionality of pay satisfaction is remain an exciting research area cause the perceived dimensionality of pay satisfaction gets affected by the cognitive complexity (Carragher and Buckley, 1996). Sometimes due to ignorance or lack of understanding, employees perceived pay satisfaction dimension more or less important than others; such a dilemma requires exploring how people at different occupations and industries define their pay satisfaction. The following section covers pay satisfaction literature in the banking sector.

3. PAY SATISFACTION IN BANKING

Hossain (2014) found that bank employee's satisfaction significantly based its work condition, employee's pay, fair policy in the bank, and employee promotion. Hameed et al. (2014) found that compensation had significant impacts on bank employees' performance, which means better compensation helps to improve the performance of employees in the bank. However, Young et al. (2014) found that employee salary was negatively associated with employees' job satisfaction. It was explained that with an increase in salary, employees' work responsibility and job stress increase, that negatively impacts employees' overall job satisfaction. Monga, Verma and Monga (2015) had confirmed that pay works as a hygiene factor in banking because it is present may or may not leads to employees' motivation but lack of adequate pay results in employee dissatisfaction.

Kim and Kim (2001) found bank employees' pay satisfaction negatively related to their self-efficiency. It was found in the study that more self-efficient people feel that they were less compensated and were more dissatisfied with their pay level and benefits. It was also because of the pay system in the bank unable to compensate employees based on their efficiency. Another research by Al-Shami and Ghneim (2002) on bank employees of Palestine (Pakistan) found the employee was less satisfying with pay benefits and structure of pay benefit because benefits structure was

inconsistent with employee needs and the bank does consider employee suggestion while designing benefits. Okpara, (2006) study on bank managers in Nigeria in South Africa found, due to the socio-cultural environment of the country pay and promotion of male and female bank employee was significantly differed. Female bank employees due to low pay and promotion chances in the bank were less satisfied with the bank's pay. Shukla and Tiwari (2013) found SBI employees were less satisfied with the bank's pay because neither the bank pay structure recognized the psychological and self-actualization need of employees nor current pay was the basis of market trend and competition. Thus employee was dissatisfied with the quality and methods of the bank's pay. Chahal et al., (2013) study on Canara Bank in the region of NCR Delhi found salary & incentives nature of work and linked of performance with pay were the most dissatisfying factors of bank employee's job. Sinha and Shukla (2013) found an employee of HDFC bank, ICICI banks. Axis Bank considered compensation was the most essential factor of their job satisfaction in a bank but current compensation was not satisfactory for them, and employees were dissatisfied with the bank's compensation. Adhikari and Deb (2013) researched in India public sector banks found that employees were highly dissatisfied with the salary and monetary benefits and working conditions of the bank.

4. DIMENSIONS OF PAY SATISFACTION

Heneman and Schwab (1985) develop a separate pay satisfaction measure popularly known "Pay satisfaction questionnaire." Judge and Welbourne (1993) conform the dimensionality of pay satisfaction questionnaire through confirmatory factor analysis. It was found that the dimension of the pay satisfaction questionnaire was very reliable. Such a measure was considered as an adequate measure of pay satisfaction dimension (Judge and Welbourne, 1994; Carraher and Buckley, 1996). Pay satisfaction is the overall satisfaction from the four facts of pay such as pay level, benefits, pay raise and structure & administration (Heneman and Schwab, 1985). Taking the bases of this research present study uses the dimensionality of pay satisfaction (Heneman and Schwab, 1985) in banking sectors.

4.1 Pay Level

Pay level refers to an individual's current direct (wage or salary) compensation (Heneman and Schwab, 1985). Pay level constitutes the employees' basic pay or net pay provided on the job (Sivarajah, Achchuthan & Umanakenan, 2014). It was the direct cash components of compensation (e.g., Salary) (Williams, McDaniel and Nguyen, 2006). The satisfaction from the cash component of pay was called pay level satisfaction (Dreher et al., 1988). Individual pay satisfaction was the result of the perceived discrepancy between the pay they receive and pay they think should receive (Lawler, 1971). The discrepancy was an essential predictor of pay satisfaction; in other words, pay satisfaction was outcomes of comparison of actual pay with deserve pay and minimum pay (Rice, Phillips and McFarlin 1990). Pay satisfaction was depends on individuals' perceived equity between actual pay and his deserve pay (Dyer and Theriault 1976). Perceived equity between actual pay and deserve pay is one of the crucial determinants of pay satisfaction; pay satisfaction would be higher at more perceived equity between actual pay and deserve pay (Berkowitz et al., 1987). When an individual's actual pay is lower than deserve pay than pay dissatisfaction arises (Olive, 1977). Income to pay satisfaction relation was significant and positive because money works as a motivator for an employee at the job (Tang et al., 2004). Therefore the pay level works of the literature suggest:

H1. Pay level significantly contributes to the pay satisfaction of bank employees.

4.2 Benefits

Material benefits were found as the second most crucial determinant of pay satisfaction (Berkowitz et al., 1987). Benefits referred to the indirect payment to the individual in the form of payment for the time not worked, insurance, pensions, income maintenance and miscellaneous (Heneman and Schwab, (1985). It was that part of the total compensation package, other than pay for time worked, provided to employees in whole or in part by employer payments such as life insurance, pension, workers' compensation, vacation, etc (Milkovich & Newman, 1999; Moussa, 2000). Employees' benefits satisfaction depends on the different types of benefits

offered, the amount of that benefits and the process through which benefits are provided to employees (Miceli and Lane, (1991). It also depended on a benefits package, the amount of company pays towards employee pay, the value of employee benefits and the numbers of benefits employees received from a job (Al-Shami, Yousef M Ghneim, 2002). Thus, benefits-satisfaction is a crucial component of pay satisfaction and the purposed hypothesis is:

H2. Benefits significantly contribute to the pay satisfaction of bank employees.

4.3 Pay Raise

Pay raise refers to the individual's change in pay level (Heneman and Schwab, 1985). Employees' pay raise satisfaction depends on the accuracy of the performance appraisal process, the influence of superior on employees' performance rating and how accurately pay based on performance (Judge and Welbourne, 1993). Pay raise not only covers the permanent pay raise but it also includes short term raise such as cash bonus. Pay increase satisfaction was the result of the satisfaction that arises from pay increase amount, pay increase opportunity, pay increase form, pay increase requirement, pat increase possibility and pay increase rule (Heneman, Greenberger and Fox, 2002). Pay satisfaction positively associated with pay increment; people with an increase in salary feel more satisfied (Nisar et al., 2010). Therefore, the increment may be considered an essential component for pay satisfaction and pay increment literature to suggest:

H3. Raise significantly contribute to the pay satisfaction of bank employees.

4.4 Pay Structure and Administration

Pay structure refers to the hierarchical relationships created among pay rates for different jobs within the organization (Heneman and Schwab, 1985), and administration refers to the procedure by which the payment system is administrated (Jawahar and Stone, 2011). Employee perception of pay system administration reflects an employee's description of the various policies and procedures used by the employer to make wage and salary decisions (Dyer and Theriault, 1976). Designing pay structured

significantly influence employee pay satisfaction and employee that found pay was inappropriately decided and distributed at similar job position were considered it as discrimination against them and feel dissatisfied with pay (Okpara, 2004). Pay structure satisfaction means fairness of the salary schedule and information the organization gives about pay issues of concern (Currall et al., 2005). Employees' perception of the structure of pay depends on how fair was the criteria used for pay differential while design pay structure (Dickinson, 2006). Employee satisfaction from compensation management system depends on what extends organization have compensation policy that integrates of individual objectives with compensation objective, performance- compensation linkage, compensation based on market trends, methods and tools of compensation and review of compensation policy (Shukla and Tiwari, 2013). The pay structure and administration is significant for pay satisfaction, and relevant literature suggests:

H4. Pay structure and administration significantly contribute to the pay satisfaction of bank employees.

5. RESEARCH METHODOLOGY

The research aims to study the dimensions of bank employees' pay satisfaction. Primary data has been collected through questionnaire methods from the Public Sector and Private sector bank employees. A total of 300 questionnaires were distributed based on the availability of employees in bank branches. Out of that, a total of 238 valid fill questionnaires received and the same used for analysis. The total response rate was 79.33 percent through the Questionnaire method. Final data comprises 140 Public Sector employees and 89 Private Sector Bank employees. Based on literature pay satisfaction has four dimensions, Pay Level, Benefits, Raise and Structure & Administration. All these dimensions were defined by Heneman and Schwab (1985). As per their definitions "Pay level refers to individual's current direct (wage or salary) compensation," "benefits that reflect indirect pay to the individual in the form of payment for the time not worked, insurance, pensions, income maintenance and miscellaneous services," "pay raise refers to the individual's change in pay level" and "Pay structure refers to the hierarchical relationships created among pay rates for different jobs within

the organization.” The present research uses these as the operational definition of pay satisfaction dimensions. Considering the pay satisfaction dimensions of Heneman and Schwab (1985), this study uses Confirmatory factor analysis. Likewise, many earlier researches follow Heneman and Schwab (1985) to define pay satisfaction through CFA and found it valid and reliable measurement to conceptualize pay satisfaction (Scarpello, Huber and Vandenberg, 1988; Judge and Welbourne, 1993; Dreher, Ash and Bretz, 1990; Faulk, 2002; Kantor, 2013). Through reviewing the literature, 20 statements were selected and rephrased as per the need of the study. However, with the initial analysis, three variables were found low factor loading and removed from the measurement model. Hence the final measurement scale with 17 variables found reliable ($\alpha=0.938$). Three variable measure pay level satisfaction ($\alpha=0.747$), four variable measure benefits satisfaction ($\alpha=0.879$), four variable measure pay raise satisfaction ($\alpha=0.897$), and six variables used to measure pay system and administration satisfaction ($\alpha=0.907$). All responses were collected on a 5 point Likert scale (1-strongly disagree, 5-strongly agree).

6. RESULTS

6.1 Confirmatory Factor Analysis

In order to study the dimensions of pay satisfaction among bank employees, confirmatory factor analysis was done using Amos 26.0. By using the maximum likelihood, approach data was analyzed. To evaluate model fit this study used the root mean square error of approximation (RMSEA) and Comparative fit Index (CFI) and Standardized root mean square residual (SRMR) (Hu and Bentler, 1999). To find the best model fit for pay satisfaction for bank employees, fit indicators of three different factor structures were compared. Model 1 comprise all variables loaded into single-factor measure pay satisfaction that does not fit the data ($\chi^2 = 856.811$, $N=238$, $RMSEA=0.162$, $CFI=0.736$ and $SRMR=0.114$). Model 2 was a

two-factor model in which variables related to pay level and benefits were loaded into one factor and variables related to pay raise and structure & administration were loaded into one factor. Two factor also not fit to data ($\chi^2 = 710.695$, $N=238$, $RMSEA=0.146$, $CFI=0.788$, and $SRMR=0.120$).

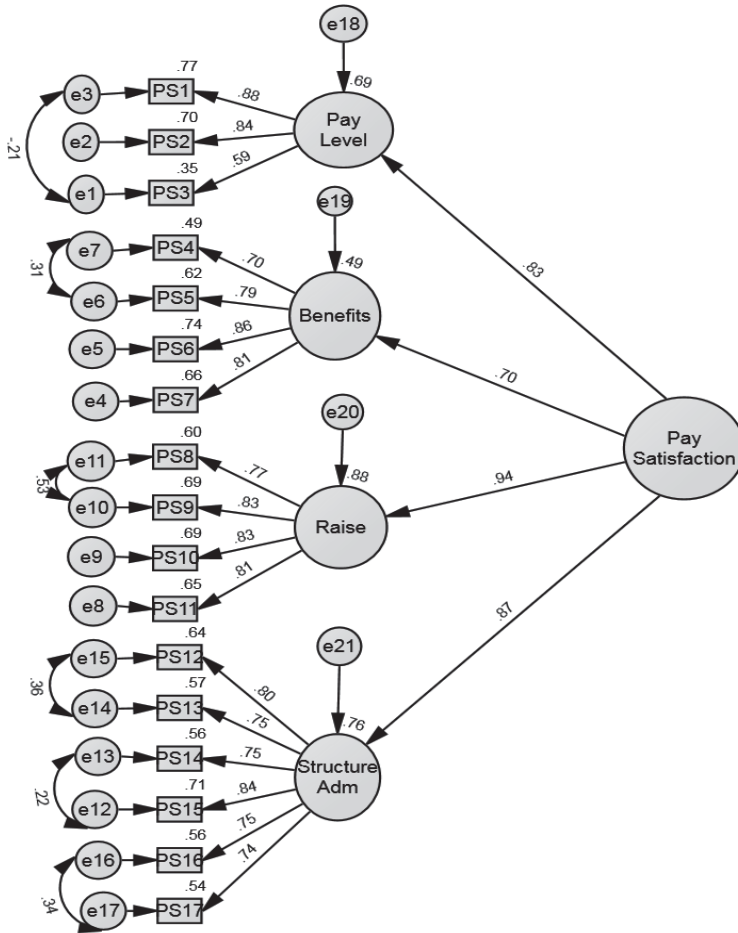
Model 3 was the hypothesized model used to measure the four-factor model of pay satisfaction. This model fits data after applying the modification indices approach to data. Result of four-factor model fit statistic indicated good fit ($X^2 = 223.324$, $N=238$, $RMSEA=0.068$, $CFI=0.958$, $SRMR=0.060$).

6.2 Structural Model

The structure model includes path arrow from four factors (pay level, benefits, raise and structure & administration) to pay satisfaction. The dependents variable and the associated error terms were allowed to correlate with each other. The structural model was also assessed through the same model fit indicators as in the measurement model. The structural model provide good fit to the data ($X^2 =224.192$, $N=238$, $RMSEA=0.067$, $CFI= 0.959$,

$SRMR=0.060$). As hypothesized, pay level ($\beta =0.83$, $p>0.00$) positively associated with pay satisfaction; hence H1 was supported. Benefits ($\beta=0.70$, $p>0.00$) was also found positively related to pay satisfaction, thus H2 The hypothesis was accepted. The third component pay raise ($\beta=0.94$, $p>0.00$) was also found positively linked with pay satisfaction and H3 was supported. Lastly, the pay structure and Administration ($\beta=0.87$ $p>0.00$) was also found positively associated and related to pay satisfaction. Thus H4 hypothesis was also accepted. All the hypothesis were accepted through SEM analysis results and collectively this four factors model explain 83 percent variance in Pay Satisfaction with Pay Level, 70 percent variance in Pay Satisfaction with Benefits, 94 percent variance in Pay Satisfaction with Pay Raise and 87 percent variance in pay satisfaction was explained with Pay Structure and Administration.

Figure 1: Structural Model Pay Satisfaction



7. CONTRIBUTION OF STUDY

This study is a step towards exploring pay satisfaction as a multidimensional construct in the banking sector. Previous bank researches were more focuses on overall job satisfaction of bank employees from various job factors in which pay was considered as the one-dimensional concept (Vanniarajan and Thavara, 2012; Varshney and Malpani, 2014). Overall satisfaction measured through (MSQ) Minnesota Satisfaction

Questionnaire and Job Diagnostic Survey (JDS) (Shrivastava and Purang, 2009; Khan et al., 2013; Hossain, 2014; Maamari, 2014; Monga, Verma and Monga, 2015). Even specific research on pay satisfaction in banking sectors does not cover all dimensions of pay satisfaction (Danish et al., 2015; Shittu, 2016). The present study is one of its kinds that have used pay as a multidimensional concept. In this study, we have tested the four-factor model of pay satisfaction PSQ (Heneman and Schwab, 1985). Results of CFA has confirmed that pay satisfaction in the banking sector also considered as multi-dimensions that means bank employees' pay satisfaction was not only the satisfaction from monetary payment but it also includes benefits pays increment and how bank administered their pay. These findings help us to understand the comprehensive nature of pay satisfaction which was unexplored in the previous research on banking sector employees (Shrivastava and Purang, 2009; Sharma and Bajpai, 2011; Vanniarajan and Thavara, 2012; Chahal et al., 2013; Verma and Monga, 2015).

8. DISCUSSION AND CONCLUSION

In this research, four factors model of pay satisfaction was tested to confirm its dimensionality. Results found that pay satisfaction as a multidimensional construct includes pay level, benefit, raise and structure & administration. In the structural model, all factors collectively explained more than 70 percent variance in pay satisfaction. In this research pay level satisfaction was measure with employee satisfaction from “gross salary,” “take-home salary” and “salary perks” that support the previous research of Heneman and Schwab (1985) and Berkowitz et al., (1987), those considered these as relevant determinist of pay level satisfaction. Employee benefits satisfaction depends on “cost of benefits,” “value of benefits plan,” “and reimbursement of expenditure,” and overall “number of benefits” an employee receives. This finding supports earlier research by Dreher, Ash and Bretz (1988) and Williams (1995) that confirms that employees benefits satisfaction depends on that extends organization benefits plan covers employee's needs and how much organization charges on employees for these benefits (employee contribution. The third factor of pay satisfaction was the satisfaction of pay increment. This study found that employees' pay increment satisfaction depends on his current and previous

pay increment, the “time gap between two increments,” and most importantly “increment process.” The findings are very much similar to the previous research of Henemana, Greenbergera and Fox (2002) those found employees' pay increment satisfaction depends on its increment amount and procedure or rules followed by the organization for a pay increment. Lastly, the fourth factor in pay satisfaction is the satisfaction from the pay structure and administration is based on employee's understanding of pay structure, “appropriate pay criteria,” “pay to performance,” “pay transparency,” and pay communication. Findings are in line with the research of Dyer, Theriault and Montreal's (1976) pay satisfaction model, in which “understanding of pay criteria” was considered as an essential determinant of payment system and administration satisfaction. The study of Dickinson, (2006) described that fair criteria used to decide salary difference in the organization are critical for pay system satisfaction. Also, Day (2011) had explored the indirect relation between pay communication and pay satisfaction. It was explained by Day (2011) that pay communication increases the employees' justice perception that further influences positively employees' pay satisfaction. The present research found pay commutation as a significant variable for pay satisfaction. Thus pay satisfaction as a multidimensional construct in the banking industry is a combination of employees' overall satisfaction that arises from Pay Level, Benefits, Increment and Pay Structure and Administration. This research has tried to provide a direction to conceptualize the pay satisfaction of banking sector employees. When pay becomes a defining factor for employees' satisfaction and dissatisfaction, then it is foremost required to understand all dimensions of pay satisfaction clearly. It is very beneficial for management to understand overall pay satisfaction dimensions to make more effective human resource policies in banking. Considering all components of pay satisfaction, HR managers can evaluate their compensation system to improve it and make it more employee-friendly that will provide maximum pay satisfaction in the banking sector.

REFERENCES

Abuzid, H.F.T. and Abbas, M. (2017). Banks Performance and Impact of Market Orientation Strategy: Do Employee Satisfaction and Customer Loyalty Augment this Relationship? *International Review of Management and Marketing*, 7(2): 60-66.

Achchuthan, S, Jasingha, D. and Umanakenan, R. (2014). School Teachers' Perception Towards Pay Satisfaction and Personal Characteristics: A Study of Northern Province, Sri Lanka *Global Journal of Management and Business Research: A Administration and Management* 14(2).

Adhikari, K., and Deb, P. (2013). Factors influencing job satisfaction of bank employees SUMEDHA *Journal of management* 2(2): 22-31.

Al-Shami, M.M., and Ghneim, Y.M. (2002). Employees Benefits Pay Satisfaction in the Banking System in Palestine: An Empirical Study *An-Najah Univ., J. Res. (H. Sc)*, 16(1).

Berkowitz, L., Fraser, C., Treasure, F.P. and Cochran, S. (1987). Pay, Equity, Job Gratifications, and Comparisons in Pay Satisfaction. *Journal of Applied Psychology* 72(4): 544-551.

Carraher, S.M., and Buckley, M.R. (1996). Cognitive Complexity and the Perceived Dimensionality of Pay Satisfaction. *Journal of Applied Psychology*, 81 (1): 102-109.

Chahal, A., Chahal, S., Chowdhury, B. and Chahal, J. (2013). Job Satisfaction Among Bank Employees: An Analysis Of The Contributing Variables Towards Job Satisfaction *International Journal of Scientific & Technology Research*, 2(8):11-20.

Currall, S.C., Towler, A.J., Judge T.A., and Kohn, L. (2005). Pay satisfaction and organizational outcome, *Personnel Psychology* (58): 613-640.

Danish, R.Q., Shahid, A.U., Aslam, N., and Ali, A. (2015). The Impact of Pay Satisfaction and Job Stress on Job Satisfaction in Pakistani Firms of Gujranwala District. *American Journal of Economics, Finance and Management*, 1(3): 207-210

Day, N.E. (2007). "An investigation into pay communication: is ignorance

bliss?". *Personnel Review*, 36(5): 739–762.

Devi, S. and Suneja, A. (2013). Job Satisfaction among Bank Employees: A Comparative Study of Public Sector and Private Sector Banks. *International Journal of Research in Management, Science & Technology*, 1(2): 93-101.

Dreher, G.F., Ash, R. A. and Bretz, R. D. (1988). Benefit coverage and employee cost: Critical factors in explaining compensation satisfaction. *Personnel Psychology*, 41(2): 237-254.

Dyer, L., Theriault, R., and Canada, M. (1976). The Determinants of Pay Satisfaction. *Journal of Applied Psychology*, 61(5): 596-604.

Faulk, L. H. (2002). *Pay Satisfaction Consequences: Development and Test of a Theoretical Model*, (Ph.D. dissertation, Louisiana State University). Available from ProQuest Dissertations and Theses database.

Ghosh, P., Rai, A., Chauhan, R., Baranwal, G., and Srivastava, D. (2016). Rewards and recognition to engage private bank employees: Exploring the “obligation dimension”. *Management Research Review*. 39(12):1738-1751.

Hameed, A., Ramzan, M., Zubair, H.M.K., Ali, G., and Arslan, M. (2014). Impact of Compensation on Employee Performance (Empirical Evidence from Banking Sector of Pakistan). *International Journal of Business and Social Science*, 5(2):302-309.

Henemana, R.L., Greenbergera, D.B., Fox, J.A. (2001). Pay increase satisfaction: A re-conceptualization of pay raise satisfaction based on changes in work and pay practices. *Human Resource Management Review* 12: 63–74.

Heneman, H. G. III, & Schwab, D. P. (1985). Pay satisfaction: Its multidimensional nature and measurement. *International Journal of Psychology*, 20, 129-141.

Hossain, M.S. (2014). Job Satisfaction of Bank Employees in Bangladesh Research. *Journal of Finance and Accounting*, 5(1):1-8.

Jain, S., Sharma, S., and Jain, R. (2012). Job Satisfaction in Banking: A Study of Private and Public Sector Banks (Comparative Study)

International Journal of Science & Technology, 2(1):40-48.

Jawahar. I.M., and Stone, T.H. (2011). "Fairness perceptions and satisfaction with components of pay satisfaction". *Journal of Managerial Psychology*, 26(4):297–312.

Judge, T. A. & Welbourne, T. M. (1993). Dimensionality of the pay satisfaction questionnaire: A confirmatory factor analytic investigation (CAHRS Working Paper #93-09). Ithaca, NY: Cornell University, School of Industrial and Labor Relations, Center for Advanced Human Resource Studies.

Judge, T.A., and Welbourne, T.M. (1994). A Confirmatory Investigation of the Dimensionality of the Pay Satisfaction Questionnaire. *Journal of Applied Psychology*, 79(3): 461-466.

Kantor, R. L. (2013). *Pay satisfaction, organizational commitment, voluntary turnover intention, and attitudes to money in a South African context*, (Doctoral dissertation) University of the Witwatersrand, Johannesburg. ProQuest Dissertations and Theses database.

Khan, I., Shahid, M., Nawab, S., Wali, S.S. (2013). Influence of Intrinsic and Extrinsic Rewards on Employee Performance: The Banking Sector of Pakistan. *Academic Research International*, 4(1): 282-291.

Kim, S. and Kim, S. (2001). Self-Efficacy and its Impact on Pay Satisfaction, Pay- Level Satisfaction, and Benefits Satisfaction. *Seoul Journal of Business*, 7(1): 27-39.

KPMG-CII Report (May 2016) retrieved from http://www.business-standard.com/article/news-ani/kpmg-cii-reports-eye-on-efficient-secure-indian-banking-sector-roadmap-116052600720_1.html on 9 August 2017.

LAWLER, E. E. (1971). *Pay and organizational effectiveness: A psychological view*, New York: McGraw-Hill.

Lee, R.L., and Martin, J.E. (1991). Internal and external referents as predictors of pay satisfaction among employees in a two-tier wage setting. *Journal of Occupational Psychology* (64): 51-66.

Leeladhar, V. (2005). "Managing Talent in Banks: A Few Thoughts".

Reserve Bank of India Bulletin, 59(7): 325-329.

Miceli, M.P. and Lane, M.C. (1991). "Antecedents of pay satisfaction: a review and extension", in Rowland, K.M. and Ferris, G.R. (Eds), *Research in Personnel and Human Resource Management*, 9: 235-309.

Monga, A., Verma, N., and Monga, O.P. (2015). A Study of Job Satisfaction of Employees of ICICI bank in Himachal Pradesh. *Human Resource Management Research*, 5 (1) : 1 8 - 2 5 D O I : 10.5923/j.hrmr.20150501.03

Morgeson, F.P., Campion, M.A., and Meretz, C.P. (2001). Understanding pay satisfaction: The limits of a compensation system implementation. *Journal of Business and Psychology*, 16(1):133-149.

Motowidlo, S.J. (1983). Predicting Sales Turnover from Pay Satisfaction and Expectation. *Journal of Applied Psychology*, 68(3): 484-489.

Day, N.E. (2011). Perceived pay communication, justice and pay satisfaction. *Employee Relations*, 33(5), 476–497.

Nawab. S, and Bhatti. K. K. (2011). Influence of Employee Compensation on Organizational Commitment and Job Satisfaction: A Case Study of Educational Sector of Pakistan. *International Journal of Business and Social Science*, 2(8): 25-32.

Niharika U. and Kiran, V. (2014). Life Satisfaction among Bank Employees. *International Journal of Science and Research (IJSR)*, 3(6):1665-1667.

Nisar, A., Zafar, M.I., Mahmood, B., Sohail, M.M., Sher, F., Safdar, M.R. (2010). Pay Benefits and Workplace Milieu Effecting Job Satisfaction Level of University Teachers: A Case Study of Punjab University *International Journal of Asian Social Science*, 2(10):1815- 1831.

Okpara, J.O. (2004). The impact of Salary differential on Managerial Job Satisfaction: A study of the Gender Gap and its implications for Management Education and Practice in a Developing Economy. *The Journal of Business in Developing Nation*, 8: 65-92

Okpara, J.O. (2006). "Gender and the relationship between perceived

fairness in pay, promotion, and job satisfaction in a sub-Saharan African economy". *Women in Management Review*, 21(3): 224–240.

Oliver, R.L. (1977). Antecedents of Salesmen's Compensation Perceptions: A Path Analysis Interpretation *Journal of Applied Psychology*, 62(1), 20-28.

Rice, R.W., Phillips. S.M., and McFarlin, D.B. (1990). Multiple Discrepancies and Pay Satisfaction. *Journal of Applied Psychology*, 75(4): 386-393.

Scarpello, V., Huber, V. and Vandenberg, R.J. (1988). Compensation Satisfaction: Its Measurement and Dimensionality. *Journal of Applied Psychology*, 73(2), 163-171.

Sharma, J.P. and Bajpai, N. (2011). Salary Satisfaction as an Antecedent of Job Satisfaction: Development of a Regression Model to Determine the Linearity between Salary Satisfaction and Job Satisfaction in a Public and a Private Organization. *European Journal of Social Sciences*, 18(3):450-461.

Shrivastava, A. and Purang, P. (2009). Employee Perceptions of Job Satisfaction: Comparative Study on Indian Banks *Asian Academy of Management Journal*, 14(2): 65-78.

Shukla, H. and Tiwari, S. (2013). A study on employees' perception towards compensation management system in selected branches of SBI of Ujjain district. *Voice of Research* 2(1):40-43.

Sinha, D. and Shukla, S.K. (2013). Study of Job Satisfaction of the Employees of Private Sector Banks. *International Journal of Education and Psychological Research (IJEPR)* 2(2): 33-40.

Sivarajah, K Achchuthan, S Umanakenan, R. (2014). Pay satisfaction and Financial Stress: A study of the school Teachers in the Northern Province, Sri Lanka. *Journal of Education and Practice* 5(7): 16-23.

Stringer, C., Didham, J. and Theivananthampillai, P. (2011). "Motivation, pay satisfaction, and job satisfaction of front-line employees". *Qualitative Research in Accounting & Management*, 8 (2): 161 – 179.

Sweins, C., Kalmi, P., & Nyman, K.H. (2009). Personnel knowledge of the

pay system, pay satisfaction and pay effectiveness: evidence from Finnish personnel funds. *The International Journal of Human Resource Management*, 20(2): 457-477. DOI: 10.1080/09585190802673528

Usman, S., Akbar, Ramza, M. (2013). Effect of Salary and Stress on Job Satisfaction of Teachers in District Sialkot, Pakistan. *IOSR Journal Of Humanities And Social Science (IOSR-JHSS)* 15(2):68-74.

Vanniarajan, T and Thavara, H.S. (2012). Job Satisfaction Among Bank Employees in Public and Private Sector Banks in Madurai District, Tamilnadu, India. *Asian Academic Research Journal of Social Sciences & Humanities*, 1(5).

Varshney, M.G. and Malpani, S. (2014). Paper on job satisfaction of SBI Employees Job Satisfaction of Public Sector Bank Employees (A Case study of Udaipur and Rajsamand Districts S.B.I.) *IOSR Journal of Business and Management (IOSR-JBM)*, 16(1): 44-52.

Williams, M.L., McDaniel, M.A., and Nguyen, N.T. (2006). A Meta-Analysis of the Antecedents and Consequences of Pay Level Satisfaction. *Journal of Applied Psychology*. 91(2): 392–413 DOI: 10.1037/0021-9010.91.2.392 392.

Williams, M.L. (1995). Antecedents of Employee Benefit Level Satisfaction: A Test of a Model. *Journal of Management*, 21(6): 1097-1128.

Yasodara Jayarathna, S. M. D. and Weerakkody, W. A. S. (2016). Impact of Decision Making, Reward Management on Job Performance: Mediation of Job Satisfaction: A Case of a Private Banks in Sri Lanka. *European Journal of Business and Management* 8(32):65-73.

Young, L., Milner, M., Edmunds, D., Pentsil, G. and Broman, M. (2014). The tenuous relationship between salary and satisfaction *Journal of Behavioral Studies in Business*, 7: 1-9.

Appendix

PAY SATISFACTION SCALE

Please rate your level of satisfaction/ dissatisfaction on following pay components. Please also indicate which components not applicable to you. 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree.

Statements	S.D.	D.	N.	A.	S.A.
1. I receive adequate gross salary for my job.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. I am satisfied with my take home salary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Bank is giving good perks for my job level.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. I am satisfied with my salary deduction for my benefit plan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Total value of employee benefits plan is good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. I am satisfied with the numbers of benefits I receive in bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. I am satisfied from the reimbursement of my expenditure given by bank	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. I am satisfied with last salary increment I receive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. My recent salary increment is good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10.I am satisfied with the time gap between increments.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11.I am satisfied with salary increment process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12.I understand how pay system work in this bank.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13.I believe employee pay is liked to employee performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14.Appropriate criteria used to decide employee salary.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15.This bank follows transparent pay policy	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
16.I receive satisfactory Information on pay related issues.	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
17.Reasonable pay difference is given at different job level.	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>

