

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

There are many factors that will affect soldiers for not producing or performing good quality of job in their service .In this chapter, an explanation of certain definitions such as pay satisfaction, job satisfaction and motivation will be given as these factors are very influencing in quality of service. There will also be brief description of the relevant theories associated with human behavior in pay satisfaction and job satisfaction. The chapter will also dwell further into the relationship between level of satisfaction, motivation, and working environment and how these factors are related to the quality of service.

2.2 PAY SATISFACTION

Most early research on determinants of pay satisfaction focused on the effect of demographic variables such as pay level, size of raise, age, gender, tenure and organization level (e.g., Schwab & Wallace, 1974; Dreher, 1981). Not surprisingly, salary level has consistently emerged as the key demographic variable influencing pay satisfaction. However, the low explanatory power of the demographic variables suggests that they alone are insufficient to predict pay satisfaction. In fact, recent research has focused more on the impact of perceptual or attitudinal variables.

Among the perceptual variables, pay-for-performance perception (i.e., the perceived relationship between performance and pay) has been found to be a significant determinant of pay satisfaction in a number of studies. Heneman, Greenberger and Strasser (1988) conducted a study among a group of hospital employees and found a positive relationship between pay-for-performance perception and pay raise satisfaction, pay-level satisfaction, and overall pay satisfaction even after

the effects of salary, level, salary increases, performance ratings, job tenure, promotions, and job satisfaction were controlled.

According to Miceli, Near, Jung and Greensberger (1991), the receipt of performance-based rewards, including merit increases and bonuses, positively affected pay-system reactions. Endorsement of the merit pay concept and perceptions of the effort-reward consonance were also related to middle managers' pay-system reactions.

Huber, Seybolt and Venemon (1992) examined the relationships of both demographic and perceptual variables on pay satisfaction among university faculty members. Perceived relationship between pay and performance accounted for more variance in pay raise satisfaction than all demographic variables combined. Consequently, they suggested that "establishing a pay-for performance compensation system may be the most effective way to promote pay satisfaction" (Huber et al., 1992) .

In another study, Florkowski and Schuster (1992) found that performance-reward contingencies significant determined profit sharing plan support from employees. As the payout of group incentive plans is usually contingent upon meeting defined performance criteria, it is expected that the pay-for-performance perception will affect employees' satisfaction with the plans.

2.3 JOB SATISFACTION

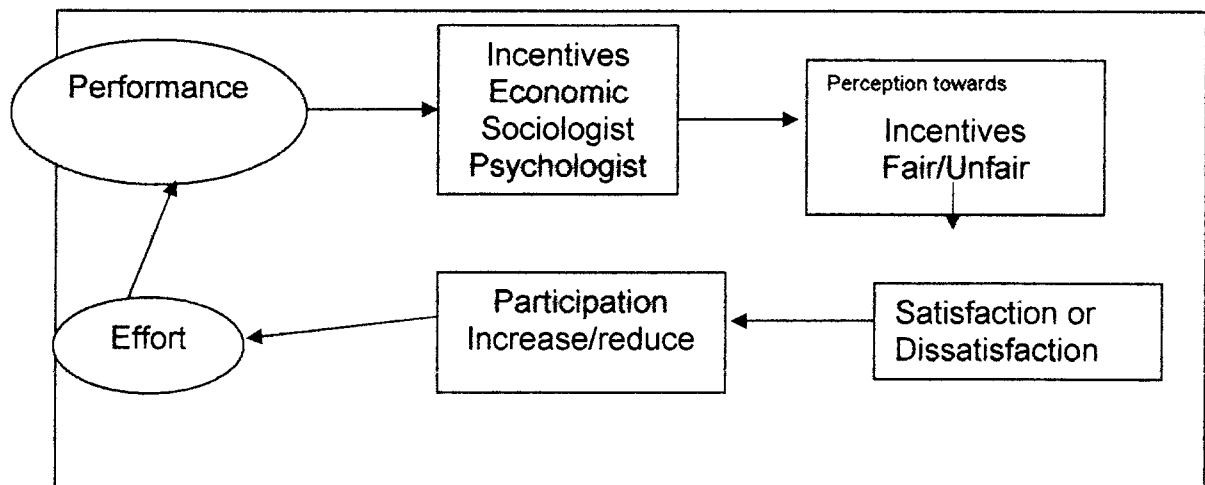
In order for an organization to be successful they must continuously ensure the job satisfaction of their employees. Job satisfaction is defined as "an individual's reaction to the job experience" (Berry, 1997). There are various components that are considered to be vital to job satisfaction. These variables are important because they all influence the way a person feels about their job. These components include the following: pay, promotion, benefits, supervisor, co-workers, work conditions, communication, safety, productivity, and the work itself. Each of these factors figures into an individual's job satisfaction differently. One might think that pay is considered to

be the most important component in job satisfaction, although this has not been found to be true. Employees are more concerned with working in an environment they enjoy.

Job satisfaction is closely related with employee's attitude towards his job and the conduciveness of his work environment. The job satisfaction is related to the performance of individuals. McCormick and Ilgen (1985) say there is a relation between job satisfaction and the attitude of an employee towards his job. In human resource the planning of job satisfaction is important where it reduces manpower turnover. Therefore every effort must be made to motivate individuals.

A study done by Lawler and Porter (1976) says that a good performance can produce high level of satisfaction and this can be achieved as long as the incentives are appropriate to the performance. Similarly if the incentive does not commensurate with the performance it can cause job dissatisfaction. Figure 2 supports this statement.

FIGURE 2.1: RELATIONSHIP OF JOB SATISFACTION TO PERFORMANCE



Source: Straub, J. and Attner, R., Introduction to Business, PWS Kent, Boston, 1987.

A job is not an entity but a complex relationship between tasks, responsibilities, interactions, incentives and rewards. Consequently, a thorough understanding requires that the job be analyzed in terms of its elements such as below (Milton, 1981):

2.3.1 **Work:** In this it includes amount of work, chances of success, interest and satisfaction and the opportunity you get to enhance your knowledge.

2.3.2 **Pay:** This includes the amount that you are paid in comparison to your workload and fairness or equity.

2.3.3 **Promotion:** This includes chances and basis for promotions and the degree of fairness.

2.3.4 **Recognition:** This includes recognition and credit for the work done, praise or criticism.

2.3.5 **Benefits:** This includes medical benefits, annual leave, remunerations and pension.

2.3.6 **Working Environment:** This includes working hours, rest and break periods, condition and location, equipment and physical layout.

2.3.7 **Supervision:** This includes human relation and administrative skills and supervisory style of superiors.

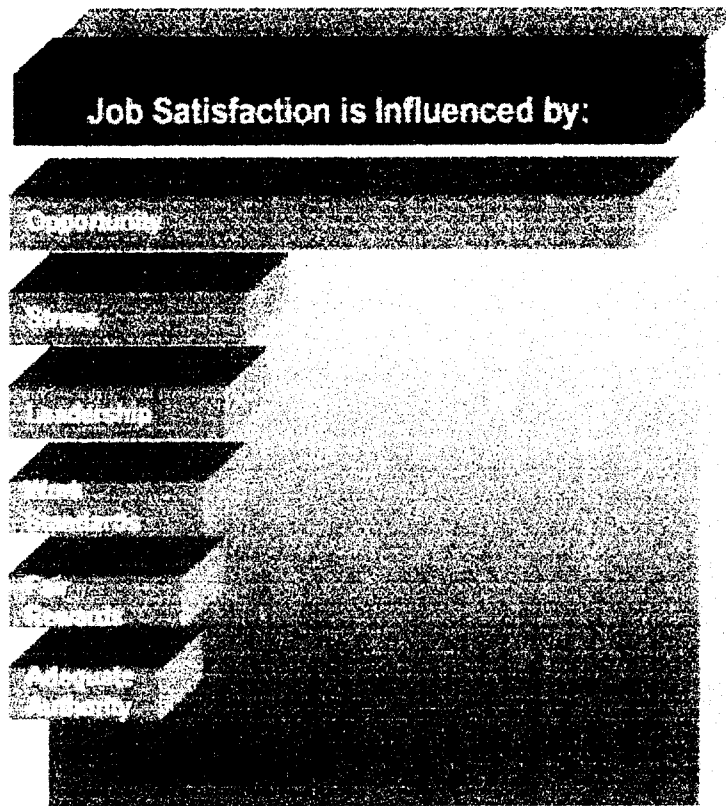
2.3.8 **Coworkers:** This includes friendliness, helpfulness, degree of skills and competency.

2.3.9 **Company and Management:** This includes company directives, policies, concern for employee and welfare.

The above-mentioned factors, socioeconomic environment and individual's behavior and action can influence job satisfaction. On the other hand an organization and employer can also influence the quality and productivity of job satisfaction.

While Bavendam Research identified six factors that influenced job satisfaction. When these six factors were high, job satisfaction was high. When the six factors were low, job satisfaction was low. These factors are similar to what we have found in other organizations

FIGURE 2.2: SIX FACTORS INFLUENCE JOB SATISFACTION



2.4 SERVICE QUALITY

Service quality and service orientation research has advanced substantially in recent years (Chadee & Mattsson, 1996), whereas employee job satisfaction has been of broad interest to both people within the organization and researchers for many decades (Spector, 1997). Locke (1976) has defined job satisfaction as the pleasurable or positive emotional state that results from an employee's job or experience associated with the job. Spector (1997) believes that job satisfaction is the most frequently studied variable in organizational research. He states that "the humanitarian perspective is that people deserve to be treated fairly and with respect". The utilitarian perspective states that job satisfaction can lead to employee behaviors that affect organizational functions. Job-related factors that have been identified to impact job satisfaction include monetary rewards, organizational commitment, co-workers, job involvement, task clarity, and utilization of employee skills (Brett, Cron, & Slocum, 1995; Igarria, Parasuraman, & Badawy, 1994; Mathieu, Hoffman & Farr, 1993; Russ & McNeilly, 1995; Ting, 1997; Tuberty, 1986; Vyskocil-Czajkowski & Gilmore, 1992).

The increase in service quality may be a result of migration of the workforce toward service-oriented jobs (Chadee & Mattsson, 1996). Service is defined as "intangible and an interaction between the organization as a provider and the customer as the receiver" (p. 289). Service quality is defined by customers as the extent of the difference between customer expectations and perceptions of the service received (Zeithaml, Parasuraman, & Berry, 1990). Service quality research has focused mainly on methods for monitoring operations to ensure conformance to specifications and for measuring customer satisfaction (Johnson, 1996; George & Tan, considerate of the customer's needs. "Studies focusing on service quality 1993). Less attention has been given to providing employees with knowledge and techniques that will assist them in providing quality service (Johnson, 1996).

2.5 MOTIVATION

Motivation as defined by the Oxford English Reference Dictionary means, "the action that causes a person to act in a particular way". In term of management, motivation can be defined as, "willingness to exert high levels of effort to reach organisational goals, conditioned by the effort's and ability to satisfy some individual need". "Motivation can also be defined as, "a process governing choices made by persons or lower organisers among alternative forms of voluntary activity".

Motivation is the force that moves people to perform their job. Where as work performance is determined by ability, motivation and situational constrains. Job satisfaction and moral construct affect our attitudes towards our jobs; influence our motivation to perform well in them (Hackman & Oldham: 1980). This in turn influences our motivation to come up with new and better ways of working, as well as our willingness to voice and discuss innovative ideas and generally to share information and corporate knowledge with our organizational colleagues.

Maslow Hierarchy of Needs Theory discusses about the five hierarchies of human needs such as physiological needs, safety needs, social needs, esteem needs and self-actualisation. According to Maslow, as each need is substantially satisfied, the next becomes dominant. The success to achieve these psychological needs depend on the individual's self-concept and personal goals. On the security needs, Maslow had related it to the working conditions, policies and incentives offered by the organization where as social needs are met through unified work groups and inter-personal relations. Esteem needs are met through job achievement, recognition and promotions. The highest level of needs in the hierarchy is self-actualisation and can be interpreted as the ability to improve or become the best possible person. These needs can be attained through autonomy, personal achievement and promotions. Figure 6, shows Maslow's hierarchy of needs.

FIGURE 2.3: MASLOW'S HIERARCHY OF NEEDS



Source: Andrew J. Du Brin, Human Relation-A Job Oriented Approach, Prentice Hall, Virginia, 1981.

On the other hand, Victor Vroom in his Expectancy Theory states that people have their own ideas about what they want from work. Employees only will be motivated if they could achieve their personal gain. Only desired rewards lead to desired performance. In relation to this, J. Stacey Adam in her Equity Theory looks at personal feelings of how fairly an employee is treated in contrast to others. According to her, employees are motivated if they see fair treatment between themselves and co-workers. From the three theories mentioned above, it is evident that motivation is about human desires and behaviours. Therefore, if a commander can reach to the soldiers' expectation and fulfil their desires, we believe that the soldier would be motivated to perform his tasks and responsibilities willingly and efficiently.

2.6 PREVIOUS RESEARCH

To the knowledge of this group, there has been no research conducted on quality of service in relation to the pay appraisal among the other rank in the army. In this

research the researchers concentrating on demographic factors such as rank, pay, age and financial commitment that influence the quality of service.