

## A Study on Effect of Incentive Compensation on Employee Engagement for Generation Y

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**ABSTRACT:** Incentive compensation is a type of compensation based on the performance of an entity. Incentives are variable rewards granted to employees according to variations in their performance. Incentive compensation programs aim to motivate individuals to act in a way such that the money is a reward for the employee's contribution to the success of the business. This study focuses on the effect of incentive compensation on employee engagement for Generation Y employees with reference to banking sector. It aims to measure the engagement levels of public and private sector bank employees. This is a quantitative study, the variables considered for this study are Compensation, Total Reward, Organizational Policies, Pay Satisfaction and Materialism. Primary data was collected from 87 respondents working both in private and public sector banks and then was interpreted using SPSS. The sampling technique used is random sampling, and statistical tools used are factor analysis, correlation and regression. Findings of this study reveal that there is a significant relationship of all the independent variables with the dependent variable employee engagement and private sector employees are more engaged than public sector employees. Further, this study also proves statistically that there is a significant effect of pay satisfaction on employee engagement and incentive compensation.

**KEY WORDS:** Incentive compensation, Total reward, Organizational policies, Pay satisfaction, Materialism and employee engagement

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### I. INTRODUCTION

Incentive compensation is a type of compensation based on the performance of an entity. Incentives are variable rewards granted to employees according to variations in their performance. It is also called as 'Payment by Results'. Often incentive compensation plans are designed to attract and retain key employees, reduce absenteeism, to raise standard of living, to increase productivity, and align interests of employees and the company. Incentive compensation programs aim to motivate individuals to act in a way such that the money is a reward for the employee's contribution to the success of the business. Managers often use two terms synonymously with incentive plans. Traditionally all incentive plans are pay-for-performance plans. They all tie employee's pay to the employee's performance. Incentive pay-tying worker's pay to their performance is popular. The problem is that linking pay to performance is easier said than done. The selection of performance measures is one of the most difficult aspects of planning an incentive compensation program. A measure can be total corporate profits, divisional profits, a mix of the two, or some other indicator. Frederick Herzberg said the best way to motivate someone is to organize the job so that doing it provides the challenge and recognition we all need to satisfy "higher-level" need for things like accomplishment and recognition. These needs are relatively insatiable, says Herzberg, so challenging worker's "lower-level" needs for things like better pay and working conditions just keeps the person from becoming dissatisfied.

Herzberg says the factors ("hygiene") that satisfy lower-level need are different from those ("motivators") that satisfy or partially satisfy higher-level needs. If hygiene factors (factors outside the job itself, such as working conditions, salary, and incentive pay) are inadequate, employees become dissatisfied. However, adding more of these hygiene (like incentives) to the job (supplying what Herzberg calls "extrinsic motivation") is an inferior way try to motivate someone, because lower-level needs are quickly satisfied. Inevitably the person says, in effect, "I want another raise". Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work. Highly engaged employees have passion for their work and feel a deep connection to their company; disengaged employees have essentially checked out putting time but not energy and attention into their work. In general employee engagement is the level of commitment and involvement an employee has towards their organization and its values. Engaged employees perform beyond expected without any expectation and they are emotionally connected to their work. Engaged employees go beyond the call of duty to perform their role in excellence. Engagement at work was first conceptualized by Kahn (1990, p. 694) as the "harnessing of organizational members' selves to their work roles". He has mentioned that in engagement "people employ and express themselves physically, cognitively,

and emotionally during role performances". The generation born between 1980s and 1990s, comprising primarily the children of the baby boomers and typically perceived as increasingly familiar with digital and electronic technology. Organization with high employee engagement shows higher level of performance. This study measures the effect of incentive compensation on employee engagement for Generation Y employees in banking sector.

## **II. SCOPE OF THE STUDY:**

It helps to know the effect of incentive compensation on employee engagement for Generation Y employees and provides guidelines to achieve higher level of employee engagement.

### **LIMITATIONS:**

- The study is on effect of incentive compensation on employee engagement of only generation y employees.
- Information collected is based on the respondent perception.

### **NEED FOR EMPLOYEE ENGAGEMENT:**

- Engaged employees boost productivity.
- Employee engagement increases customer satisfaction.
- Employee engagement enhances company culture.
- Engaged employees are less likely to quit.
- Engagement is a symptom of success.
- Engaged employees are positive.

## **III. LITERATURE REVIEW:**

One of the most difficult challenges faced by Human Resource managers is to determine the ways to utilize limited resources effectively and efficiently to achieve organizational goals. Many researches related to motivational theory and employee engagement gives examples of how the perception of employees impact organizational effectiveness. Yet a gap in research has remained in how performance-based incentive compensation impact employee engagement. A study of the relationship between engagement of multigenerational public sector workers and the incentive compensation motivator factor (Brent A. Meyer, Feb 2013), investigates the relationship between eligibility for incentive compensation and employee engagement, differentiating between Baby Boomer, Generation X, and Generation Y cohorts within a multigenerational American public sector. The significant findings of this study include positive increases in overall engagement, for the Generation X age cohort, and for government workers through individual performance provided with opportunity to earn incentive compensation. Compensation or remuneration which involves both financial and non-financial rewards is an indispensable attribute to employee engagement that motivates an employee to achieve more and hence focus more on work and personal development. This has been mentioned in the paper 'Determinants of employee engagement and their impact on employee performance', (Anitha J, August 2013) which shows that there is a relationship between employee engagement and compensation and organizational policies. An attractive compensation consists of combination of pay, incentives, bonuses, other financial rewards as well as non-financial rewards such as voucher schemes and extra holiday. An extent to which employees are engaged in an organization is determined by organizational policies, procedures, structures and systems. They are very important for employee engagement and intern accomplishment of the organizational goals. Fair recruitment and selection, aid in balancing work and life, flexi-timing, and fair promotional policies are some of extremely important policies and procedures.

Many studies reveal that the relationship between motivation and money is more complicated than one can imagine. Financial compensation and its implication on selected dimensions of employee engagement in IT companies (Dr Bigyan P Verma, Dec 2015) looks at the relevance of financial compensation in overall level of employee engagement of IT companies in India. This study consists of questionnaire containing 32 questions which tries to identify the strong feelings of employee engagement which revealed that there is no significant relationship between compensation and employee engagement. Work engagement is critical for both employees and employers. Engaged employees are willing to involve themselves in their work entirely and employ emotional, intellectual and physical resources to achieve and complete their work tasks, this has been mentioned in the paper 'The impact of a total reward system of work engagement', (Crystal Hoole, Gabi Hotz, Nov. 2016) which reveals that if organizations want to include total rewards as part of their engagement strategies, it is

imperative that they understand the complex nature in the reward–engagement relationship and how best to use reward systems to meet the needs and goals of both the organization and employees..Pay satisfaction refers to the “amount of overall positive or negative affect (or feelings) that individuals have toward their pay”, which is closely linked to work engagement and pay is an important attribute of work engagement, as it motivates employees to focus on increasing work performance, this has been stated in the paper ‘The mediating role of work engagement between pay satisfaction and turnover intention’, (Mumtaz Ali Memon, RohaniSalleh, Mohamed Noor RosliBaharom, 2017) which confirms the importance of such HRM practices, particularly regarding the role of pay satisfaction in achieving higher level of engagement.Materialism is a tendency to consider material possessions and physical comfort as more important than spiritual values.An attempt of connecting materialism with employee engagement was made by the study ‘The adverse effect of materialism on employee engagement in China’, (Tian Xie, Ya-nan Shi and Jing Zhou, October 2016)which reveals that materialism could cause a series of negative consequences, such as reduced personal well-being, insecurity, fragile self-worth and poor relationships among others.An environment of advocating materialism might harm individual’s engagement at work is a serious barrier.

**STATEMENT OF THE PROBLEM:**The specific research problem is to discover the relationship between employeeengagement and incentive compensation for Generation “Y”employees.

#### **IV. RESEARCH METHODOLOGY**

**RESEARCH GAP:** Analyzing the above study, the decision was taken to conduct research to find a statistically significant relationship between employee engagement and incentive compensation for generation Y employees.

#### **OBJECTIVES:**

1. To study the difference level in employee engagement between public and private sector banking employees of generation y.
2. To establish relationship between employee engagement for generation y and incentive compensation.
3. Analyze the results and propose a roadmap for higher level of employee engagement.

#### **VARIABLES:**

##### **INDEPENDENT VARIABLES:**

**Incentive compensation:** Compensation that is linked to performance by rewarding employees for actual result achieved instead of seniority or hours worked.It is also called as ‘Payment by Results’. Incentive compensation programs aim to motivate individuals to act in a way such that the money is a reward for the employee's contribution to the success of the business.

**Total reward:** Rewards can be defined as various different benefits that are offered to employees in exchange for work or value.

Total rewards are seen as the combination of various different rewards, including financial change for their value-addition in the workplace.

**Organizational policies:** Organizational policies is a set of guidelines and best practices put in the place to protect the companies employees in terms of Establishing Expectations and Limitations related to any Organizational conduct.

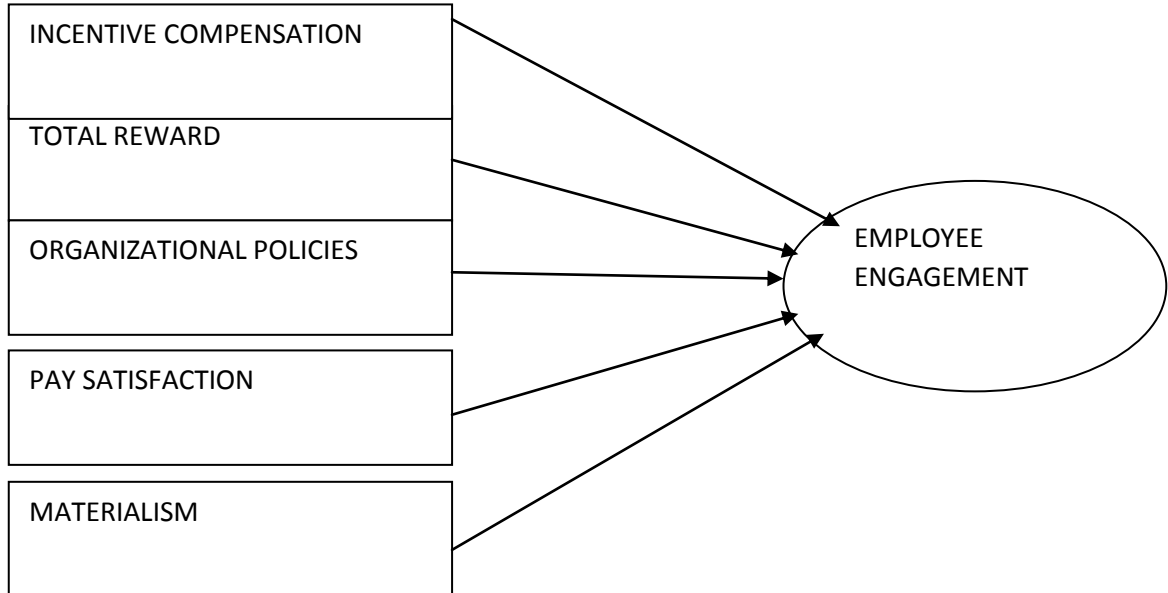
**Materialism:** Materialism is a tendency to consider material possessions and physical comfort as more important than spiritual values.

**Pay satisfaction:** Pay satisfaction refers to the amount of overall positive or negative affect (or feelings) that individuals have toward their pay.The major challenge of defining this term will be defining the term “Satisfaction” which will vary among human beings.It is believed that satisfaction regarding the pay level creates a greater sense of obligation because employees feel that organization should value and appreciate their efforts and contributions toward achieving corporate goals.

#### **DEPENDENT VARIABLE:**

**Employee engagement:** Employee engagement is an individual's involvement, satisfaction and enthusiasm for the work he or she does. In general employee engagement is the level of commitment and involvement an employee has towards their organization and its values

**CONCEPTUAL MODEL:**



**Research Design:** The research design showcases the type of research methodology under taken to collect the Data for the study.

The Framework used both Descriptive and Analytical type of research design. The main objective of using descriptive research is to describe the state of affairs as it exists at present. It mainly involves surveys and fact finding enquiries of different kinds.

**Area of Study:**

The area of study is confined to public and private banking sector with generation Y employees.

**Research Instrument:**

The structured questionnaire is used as the research instrument for the study.

**Questionnaire design:**

The questionnaire is in a structured manner in which all the questions are predetermined before conducting the survey. The form of questions are of 5 points Likert's scale method.

The questionnaire consists of demographic data and 25 questions relating to 5 parameters namely, incentive compensation, total reward, organizational policies, pay satisfaction & materialism and 5 questions relating to employee engagement.

**HYPOTHESIS:**

The following hypotheses have been framed to meet the objective of the study:

**FACTOR 1: Incentive compensation**

H0: There is no significant difference between incentive compensation and employee engagement.

H1: There is a significant difference between incentive compensation and employee engagement.

**FACTOR 2: Total reward**

H0: There is no significant difference between total reward and employee engagement.

H2: There is a significant difference between total reward and employee engagement.

**FACTOR 3: Organizational policies**

H0: There is no significant difference between organizational policies and employee engagement.

H3: There is a significant difference between organizational policies and employee engagement.

**FACTOR 4: Pay satisfaction**

H0: There is no significant difference between pay satisfaction and employee engagement.

H4: There is a significant difference between pay satisfaction and employee engagement.

**FACTOR 5: Materialism**

H0: There is no significant difference between materialism and employee engagement.

H5: There is a significant difference between materialism and employee engagement.

**V. DATA COLLECTION METHOD:**

The Each stage of Study was conducted by collecting the primary data. The primary data was gathered from employees by using the questionnaire. The scales used to evaluate questions are 5 Point Likerts scale method and observation.

**Sampling Design:**

Sample Size - A sample is a definite plan for obtaining a sample from a given population. The researcher adopted simple random sampling for the study. Considering the confidence level of 95% & 5% error.

$$n^1 = \frac{Z^2 * p * q}{E^2}$$
$$n = \frac{n^1 * N}{(n + (N - 1))}$$

Sample size for private sector banking employees,

Where, Z=1.96

P=0.7

E=5% (0.05)

If we calculate in the above formulae **sample size is 57**

Sample size for public sector banking employees,

Where, Z=1.96

P=0.9

E=5% (0.05)

If we calculate in the above formulae **sample size is 30**

**Statistical Tools Used:**

- Factor analysis
- Descriptive Analysis
- Correlation Analysis
- Reliability Analysis

**DATA ANALYSIS AND INTERPRETATION:** The obtained data from all the 87 respondents was accumulated and was saved in an Excel format, and then the data was transferred to Statistical Package for Social Sciences (SPSS) tool for data Analysis.

### **Descriptive statistics**

#### **Descriptive Statistics - Mean and Standard Deviation (1.1)**

The Likert scale was used to measure the response of the respondent

A descriptive analysis was performed based on the responses obtained from the factors that were focused on the questionnaire. This included mean, standard deviation, variance, kurtosis and skewness.

The range of the scale of the dependent and independent variable is most of 4 and 2.

Mean of the variables range from 4 and 3 (3.014 to 4.883). The deviation between the sample mean and population is measured using standard error. As the sample size increases the standard error decreases.

Standard deviation is the statistical measure to measure the dispersion of the set of data values. Whereas variance is the square root of it.

The value of skewness ranges from 0.44 to 0.996 which satisfies the minimum requirement for the value to be 1.

The **kurtosis** of 2.607 is near the expected **value** of 3. The closer the kurtosis value to zero, the more normal the distribution of scores.

**Descriptive Statistics - Skewness & Kurtosis (1.2) Skewness:** Values of skewness should be near to 1. It measures the degree and direction of asymmetry. From the above table all the independent and dependent factors are negatively skewed except information, clear, objection, moment are positively skewed. Hence the data is negatively skewed, the data is left skewed. This means the mean is less than mode, median is less than mode.

**Kurtosis:** The **kurtosis** of 2.607 is near the expected **value** of 3. The closer the kurtosis value to zero, the more normal the distribution of scores. A distribution is more leptokurtic (peaked) when the kurtosis value is a large positive value as the item from the table has (2.607 point of view) as the value of kurtosis, and a distribution is more platykurtic (flat) when the kurtosis value is a large negative value (interpret—1.175).

**Mean value of employee engagement :Mean value of employee engagement for public sector banks are 4.2456 whereas the mean value for private sector bank employees are 4.34.**

For further research only private sector banking employees are eligible. Hence only 57 respondents are considered.

### **FACTOR ANALYSIS:**

#### **INDEPENDENT VARIABLE:**

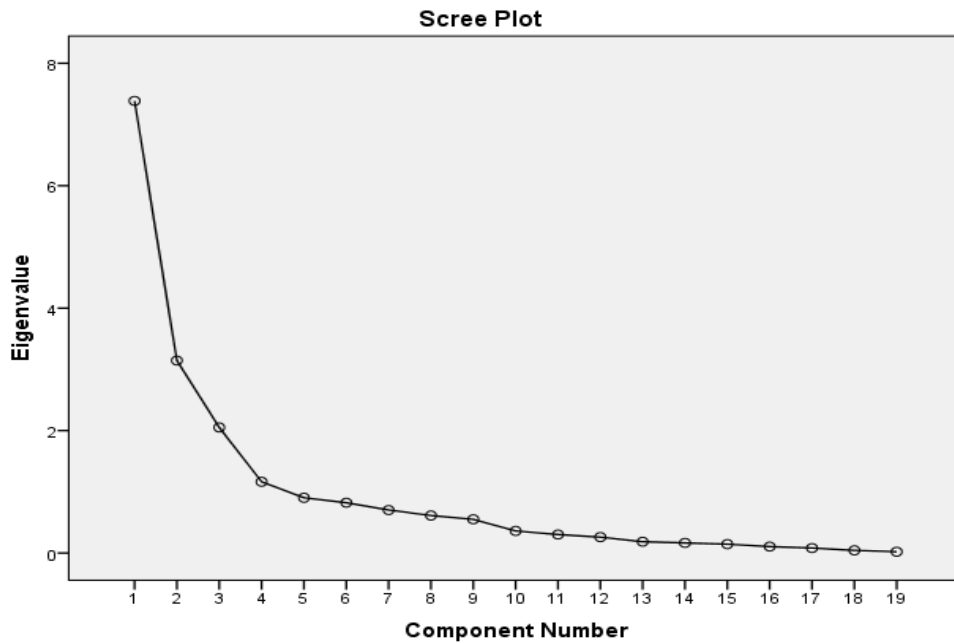
**KMO and Bartlett's test:** KMO Measure of Sampling Adequacy test is used for the level of reliability of the collected data

It require minimum of .5 for validating the data adequacy. In this study KMO value is 0.599. It depicts that good validity for doing factor analysis. Bartlett's Test of Sphericity is used to measure significance of factor analytic procedure. Sig. value is 0. So there is a significant relationship among the components and it is a better model fit for doing factor analysis.

**Total variance explained:** The study was concentrating on 19 components of which it shows that variance of all 19 items of the 4-independent variable forming the cumulating up to 100. Which depicts that all 19 items play a significance role in their respective percentages? The later part of the Study shows after the extraction of 4 fixed items where 24.792% of 1st factor, 18.628% of 2nd factor, 15.033% of 3rd factor,13.881% for 4th factor. Depicting that the 4 factors is replicating or signifying only by 72.334% which also says that the left percentage is filled by the unnamed factors.

**Screen Plot:**

Screen plot is used to know how much variables are actually forming.



The line graph titled as screen plot used to measure the factors to be extracted. X axis shows the component number which can also termed as factor. Y axis shows the Eigen value. This can be interpreted as follows. By seeing the elbow cut point and extending the line to the X axis. This will give the number of factors to be extracted that is 2 from the above graph.

**Rotated Component Matrix:** Factor analysis attempts to identify underlying variables or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of manifest variables. Factor analysis can also be used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis.

**Reliability statistics:** Reliability test was done and known that the values are acceptable. The Cronbachs Alpha value is greater than seven for each factor indicating that the scale is reliable.

Rotated matrix was obtained for 6 iterations.

**Reliability statistics table of independent variables:**

Variable	Scale Label	Cronbach's Alpha	N of Items	Items
Independent Variable	Total reward	<b>0.872</b>	<b>7</b>	<b>rw_policy</b>
				<b>op_salary_structure</b>
				<b>op_communication</b>
				<b>rw_bonus</b>
				<b>rw_promotion</b>
				<b>ps_effort</b>
				<b>op_consistency</b>
Independent Variable	Incentive compensation	<b>0.827</b>	<b>5</b>	<b>op_pay_rise</b>
				<b>rw_motivation</b>
				<b>ic_productivity</b>

	Materialism	0.781	4	rw_performance
				ic_satisfaction
				mt_deeds
				mt_income
				mt_status
	Pay satisfaction	0.827	3	ps_equity
				op_transparency
				ic_adequate

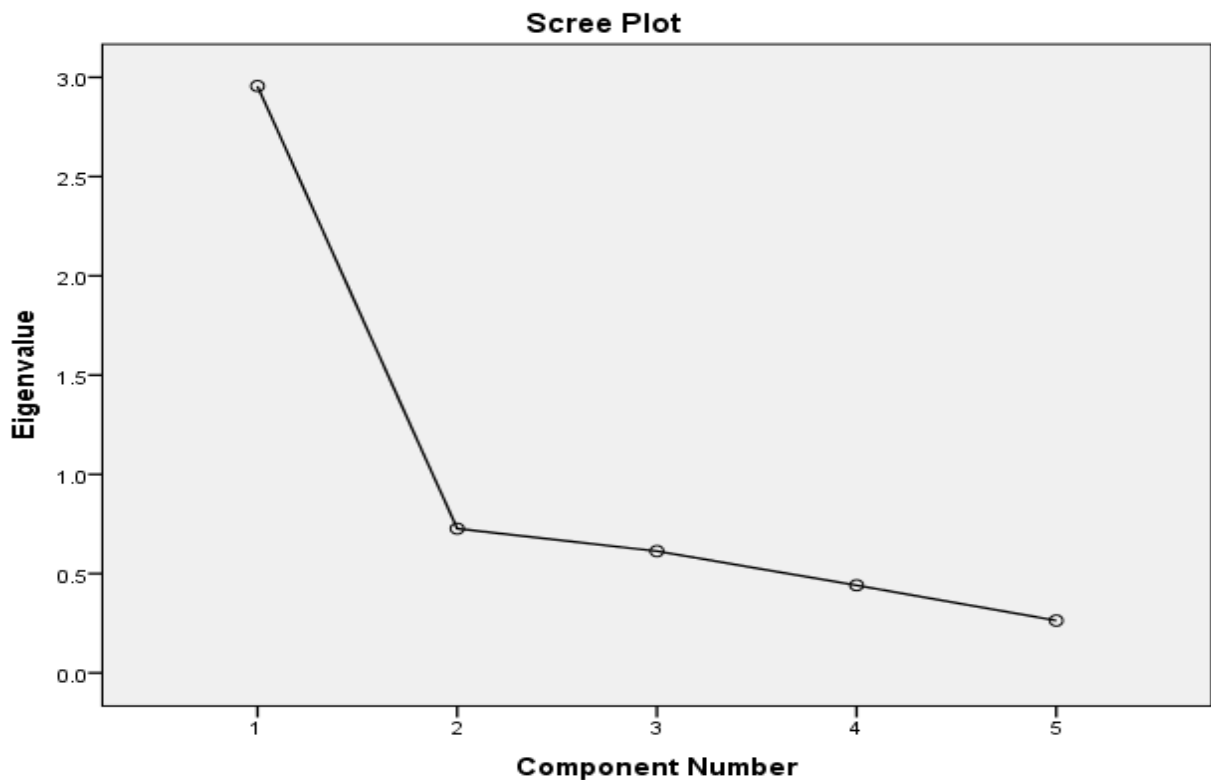
**DEPENDENT VARIABLE:**

**KMO and Bartlett's Test;** KMO Measure of Sampling Adequacy test is used for the level of reliability of the collected data. It provides the adequate use of those data for factor analysis. It require minimum of 0.5 for validating the data adequacy. In this study KMO value is 0.764. It depicts that good validity for doing factor analysis. Bartlett's Test of Sphericity is used to measure the inter significance of sampling. Above table also infers that the Significance value is 0. So there is a significant relationship among the components and it is a better model fit for doing factor analysis.

**Total variance explained;** The initial number of factors is the same as the number of variables used in the factor analysis. However, not all 5 factors will be retained, only the first factor will be retained. The first factor will account for maximum variance, and subsequent next factor will account for variance lesser than the first and then it goes on. The fourth row shows a value of 59.115. This indicates that the first factors accounts for a variance of 59.115%.

**Screen Plot:**

Screen plot is used to know how much variables are actually forming.





The line graph titled as screen plot used to measure the factors to be extracted. X axis shows the component number which can also termed as factor. Y axis shows the Eigen value. This can be interpreted as follows. By seeing the elbow cut point and extending the line to the X axis. This will give the number of factors to be extracted that is 2 from the above graph.

<b>Component Matrix</b>	
	Component
	1
ee_energetic	0.842
ee_challenges	0.822
ee_image	0.778
ee_belonging	0.75
ee_fulfillment	0.635
Extraction Method: Principal Component Analysis.	
a. 1 components extracted.	

**Reliability statistics:** Reliability test was done and known that the values are acceptable. The Cronbach’s Alpha value is greater than five for each factor indicating that the scale is reliable.

**Reliability statistics**  
**Employee engagement**

Variable	Cronbach's Alpha	N of Items	Items
Employee engagement	0.812	5	ee_energetic
			ee_challenges
			ee_image
			ee_belonging
			ee_fulfillment

**ANOVA:** A method for assessing the contribution of an independent variable or controllable factor to the observed variation experimentally observed on dependent variable. To determine whether any of the differences between the means are statistically significant, compare the p-value to your significance level to assess the null hypothesis. The null hypothesis states that the population means are all equal. Usually, a significance level (denoted as  $\alpha$  or alpha) of **0.5** works well.

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.652 <sup>a</sup>	0.426	0.381	0.786502

a. Predictors: (Constant), REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1

**Table 11: Anova**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.834	4	5.958	9.632	.000 <sup>b</sup>
	Residual	32.166	52	0.619		
	Total	56	56			
a. Dependent Variable: REGR factor score 1 for analysis 2						
b. Predictors: (Constant), REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1						

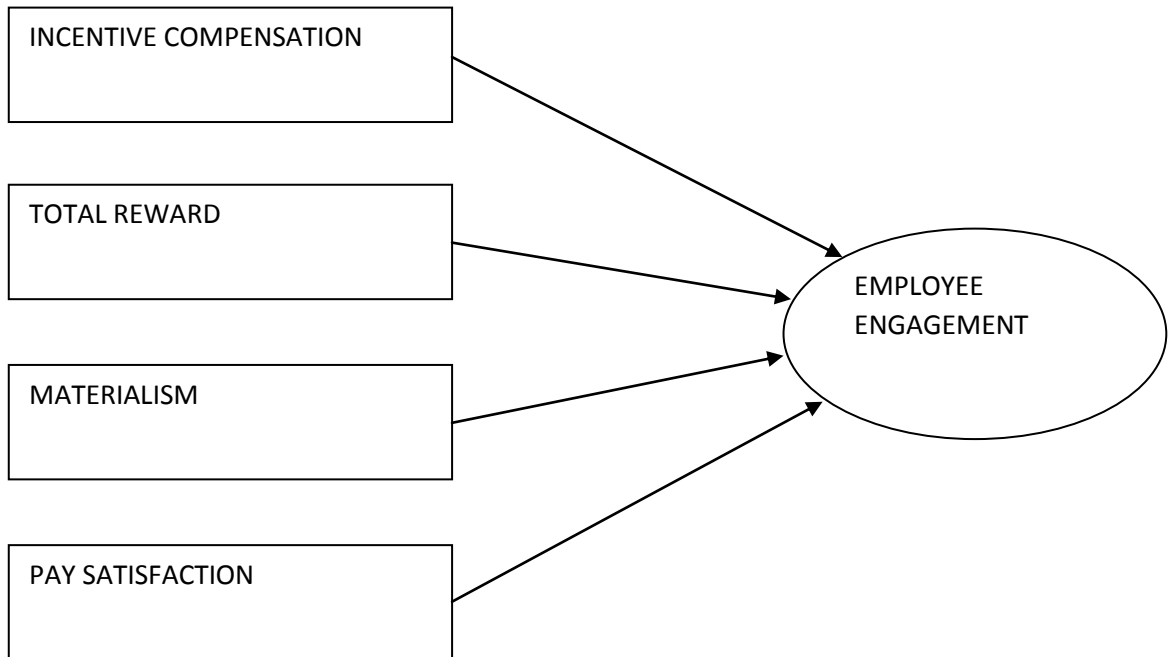
**REGRESSION:  
Regression**

regression coefficients				
Sl.no	Independent variables	Dependent variable	beta (β)	Significance
1	Total reward	Employee engagement	-0.223	0.038
2	Incentive compensation	Employee engagement	0.387	0.001
3	Materialism	Employee engagement	0.207	0.054
4	Pay satisfaction	Employee engagement	0.428	0.00

**HYPOTHESIS:**

1. There is no significance difference between incentive compensation and employee engagement.
2. There is no significant difference between total reward and employee engagement.
3. There is a significant difference between organizational policy and employee engagement.
4. There is no significant difference between materialism and employee engagement.
5. There is no significant difference between pay satisfaction and employee engagement.

**MODIFIED CONCEPTUAL MODEL:**



**VI. FINDING AND CONCLUSION:**

**FINDINGS:** From the research carried out by considering the 87 respondent’s perception about the questionnaires that was framed in the sample the survey based on the independent variable such as incentive compensation, total reward, organizational policies, pay satisfaction and materialism in order to check the significant relationship with the dependent variable of employee engagement. From the Analysis by using SPSS software we understand that the private sector bank employees are more engaged than public sector bank employees and pay satisfaction had significant relationship with employee engagement and incentive compensation, total reward and materialism also have relationship with employee engagement but it is not significant and organizational policies did not show any significance with employee engagement.

**VII. CONCLUSION:**

From the above study we can clearly say that private sector employees are more engaged than public sector employees and there is a statistically significant effect of pay satisfaction on employee engagement, incentive compensation and total reward which includes financial and non-financial benefits, materialism don’t have significant effect on employee engagement. But total reward is negatively related to employee engagement which means employees are not satisfied with total reward and policies of the organization. With this the study concludes that there is no statistically significant effect of incentive compensation on employee engagement of generation y employees of private sector banks. Instead of using incentive compensation if intrinsic rewards are used for increasing employee engagement the effect will stay for long time. Intrinsic rewards are the non-physical rewards which can be defined as the feeling of contentment one finds in the completion of any task which includes sense of achievement, words of praise from seniors, recognition, autonomy for decision making and work as per their schedule. Even if employees love their job that itself results in employee engagement. So employees should be intrinsically motivated to achieve higher employee engagement so that organizational goals are achieved effectively and efficiently.

**MANAGERIAL IMPLICATION:**

- Employers can use targeted incentives and benefits to improve employee happiness and engagement in most workplaces for some extent temporarily.
- Along with programs to reduce tension and poor management practices, incentives and benefits can be used to boost employee morale and engagement at work for time being.
- By having clear incentive compensation structure and policies organizations can achieve higher level of employee engagement.

- If employers want to engage employees for longer duration, they should use intrinsic rewards.

**REFERENCES:**

1. Brent A.Meyer, “A study of relationship between engagement of multigenerational public sector workers and the incentive compensation motivating factor”.
2. Dr. Bigyan P Verma, ”Financial compensation and its impact on selected dimensions of employee engagement in IT companies”
3. Tian Xie, Ya-nan Shi and Jing Zhou, ”The adverse effect of materialism on employee engagement”
4. Anitha J, ”Determinants of employee engagement and their impact on employee performance”.
5. Memon,MumtazAli,Salleh,Rohani,Baharom,Mohamed Noor Rosali, ”The mediating role of work engagement between pay satisfaction and turnover intention”.
6. Reference text books:
  - Stephen P. Robbins, Timothy A Judge, Organizational Behavior.
  - Gary Dessler, BijuVarkkey, Human Resource Management.

**ANNEXURE**

**The Scale for answer question is mentioned below with an example.**

<b>Strongly Disagree</b>	<b>1</b>
<b>Disagree</b>	<b>2</b>
<b>Neither Agree Nor Disagree</b>	<b>3</b>
<b>Agree</b>	<b>4</b>
<b>Strongly Agree</b>	<b>5</b>

Following are the statements pertaining to various aspects of your job, kindly read through each statement in the context of your job and respond as to how much you are satisfied with each of these aspects. For Each statement given below, please indicate your answer in the appropriate box.

SL/ No	Statements	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1	Financial Compensation is adequate.	SA	A	NA/N DA	DA	SDA
2	Company provides timely and adequate financial incentives.	SA	A	NA/N DA	DA	SDA
3	Financial incentives increase employee work productivity.	SA	A	NA/N DA	DA	SDA
4	Incentive develops employee satisfaction.	SA	A	NA/N DA	DA	SDA
5	Incentives increases employee loyalty towards organization.	SA	A	NA/N DA	DA	SDA
6	Higher salary and pay rise on good performance.	SA	A	NA/N DA	DA	SDA
7	Satisfied with the bonus/tip/reward in the organization.	SA	A	NA/N DA	DA	SDA
8	Satisfaction with the systematic financial policies regarding the increment and other monetary benefits.	SA	A	NA/N DA	DA	SDA

SL/ No	Statements	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
9	Satisfied with promotional opportunities in the Organizations.	SA	A	NA/N DA	DA	SDA
10	Intrinsic rewards have long term effect in motivating employees.	SA	A	NA/N DA	DA	SDA
11	Aware of how my performance is linked with pay rise.	SA	A	NA/N DA	DA	SDA
12	Satisfied with the consistency review of the organization's pay policies.	SA	A	NA/N DA	DA	SDA
13	Overall satisfied with salary structure of the organization.	SA	A	NA/N DA	DA	SDA
14	Pay policies are effectively communicated to employees.	SA	A	NA/N DA	DA	SDA
15	Organization has transparent promotion policies.	SA	A	NA/N DA	DA	SDA
16	Pay fulfills the basic needs.	SA	A	NA/N DA	DA	SDA
17	Satisfied with the differences in pay levels among jobs in the company.	SA	A	NA/N DA	DA	SDA
18	Satisfied with the pay for the effort to be exerted while completing tasks.	SA	A	NA/N DA	DA	SDA
19	Satisfied with pay compared to similar jobs in other companies.	SA	A	NA/N DA	DA	SDA
20	Equity pay is maintained across the company.	SA	A	NA/N DA	DA	SDA
21	Getting a high income is a primary factor in deciding whether to accept another job.	SA	A	NA/N DA	DA	SDA
22	More influenced by the amount of money people have than the deeds they do.	SA	A	NA/N DA	DA	SDA
23	Spend more to get the very best.	SA	A	NA/N DA	DA	SDA
24	Having luxurious things is an important part of life.	SA	A	NA/N DA	DA	SDA
25	Status and high income are the defining characteristics of a successful business person.	SA	A	NA/N DA	DA	SDA
26	Feel energetic at work.	SA	A	NA/N DA	DA	SDA

SL/ No	Statements	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
27	Sense of fulfillment after completing the work.	SA	A	NA/NDA	DA	SDA
28	Willing to accept all sorts of challenges at work.	SA	A	NA/NDA	DA	SDA
29	Strong sense of belonging with the organization.	SA	A	NA/NDA	DA	SDA
30	Concerned about the image of the organization.	SA	A	NA/NDA	DA	SDA

Following are the questions pertaining to understand you, Please Mention **Yes** in appropriate box to provide your answers

1. To which age group do you belong

Below 20  21-30  31-40

2. To which of the following gender do you belong

Male  Female  Other

3. What is your marital Status

Married  Unmarried

4. Which is your Highest education qualification you have attained

PUC  Graduation  Post-Graduation  Diploma   
Others

5. What is your approximate annual family income

Less than 1 lac  1 lacs-2 lacs  2 lacs-5 lacs  5 lacs-10 lacs   
Above 10 lacs

6. What is your occupation:

Salaried Govt  Private  Business  IT   
Professional  Others

**Thank you for your cooperation & valuable time.**

**Table Reference for Above Analysis;**

**Table 1: Descriptive statistics**

	N	Range	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
ic_adequate	87	4	1	5	3.6092	0.13218	1.23285	1.52
ic_timely	87	3	2	5	3.7126	0.09379	0.87482	0.765
ic_productivity	87	2	3	5	4.3218	0.07402	0.69037	0.477
ic_satisfaction	87	3	2	5	4.4023	0.07574	0.70644	0.499
ic_loyalty	87	3	2	5	4.2299	0.08605	0.80263	0.644
rw_performance	87	3	2	5	4.2529	0.10497	0.97906	0.959
rw_bonus	87	4	1	5	3.7931	0.10097	0.94177	0.887
rw_policy	87	3	2	5	3.7586	0.10206	0.95193	0.906
rw_promotion	87	4	1	5	3.6207	0.13104	1.22229	1.494
rw_motivation	87	3	2	5	4.1379	0.08364	0.78017	0.609
op_pay_rise	87	2	3	5	4.092	0.06865	0.64035	0.41
op_consistency	87	3	2	5	3.6092	0.10641	0.99249	0.985
op_salary_structure	87	4	1	5	3.6552	0.12646	1.17955	1.391
op_communication	87	3	2	5	3.8966	0.09677	0.90264	0.815
op_transparency	87	4	1	5	3.3678	0.12356	1.1525	1.328
ps_basic	87	4	1	5	3.977	0.0953	0.88891	0.79
ps_pay_level	87	4	1	5	3.4368	0.12092	1.12788	1.272
ps_effort	87	4	1	5	3.6092	0.12054	1.12432	1.264
ps_similar_job	87	4	1	5	3.7816	0.13021	1.2145	1.475
ps_equity	87	4	1	5	3.4713	0.11885	1.10852	1.229
mt_income	87	4	1	5	4.023	0.10593	0.98803	0.976
mt_deeds	87	4	1	5	3.6092	0.13418	1.25157	1.566
mt_spend	87	3	2	5	3.8276	0.10871	1.01394	1.028
mt_luxury	87	4	1	5	3.0115	0.14111	1.31622	1.732
mt_status	87	4	1	5	3.4368	0.13552	1.264	1.598
ee_energetic	87	2	3	5	4.2414	0.0693	0.64638	0.418
ee_fulfillment	87	3	2	5	4.3333	0.0812	0.75739	0.574
ee_challenges	87	2	3	5	4.4483	0.0649	0.60538	0.366
ee_belonging	87	3	2	5	4.1609	0.08785	0.81944	0.671
ee_image	87	3	2	5	4.2069	0.09123	0.85096	0.724

Valid N (listwise)	87						
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**Table 2: Descriptive Statistics - Skewness & Kurtosis**

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
ic_adequate	-0.467	0.258	-1.083	0.511
ic_timely	-0.466	0.258	-0.347	0.511
ic_productivity	-0.524	0.258	-0.79	0.511
ic_satisfaction	-1.366	0.258	2.607	0.511
ic_loyalty	-0.996	0.258	0.797	0.511
rw_performance	-1.141	0.258	0.19	0.511
rw_bonus	-0.597	0.258	0.341	0.511
rw_policy	-0.902	0.258	-0.126	0.511
rw_promotion	-0.678	0.258	-0.681	0.511
rw_motivation	-0.549	0.258	-0.278	0.511
op_pay_rise	-0.081	0.258	-0.522	0.511
op_consistency	-0.31	0.258	-0.917	0.511
op_salary_structure	-0.599	0.258	-0.934	0.511
op_communication	-0.763	0.258	0.029	0.511
op_transparency	-0.158	0.258	-1.06	0.511
ps_basic	-1.378	0.258	2.41	0.511
ps_pay_level	-0.436	0.258	-0.754	0.511
ps_effort	-0.631	0.258	-0.778	0.511
ps_similar_job	-0.724	0.258	-0.567	0.511
ps_equity	-0.24	0.258	-0.765	0.511
mt_income	-0.935	0.258	0.591	0.511
mt_deeds	-0.382	0.258	-1.175	0.511
mt_spend	-0.466	0.258	-0.854	0.511
mt_luxury	0.26	0.258	-1.153	0.511
mt_status	-0.597	0.258	-0.751	0.511
ee_energetic	-0.275	0.258	-0.667	0.511
ee_fulfillment	-1.138	0.258	1.304	0.511
ee_challenges	-0.602	0.258	-0.545	0.511
ee_belonging	-0.957	0.258	0.749	0.511
ee_image	-0.877	0.258	0.113	0.511
Valid N (listwise)				



**Table 3: KMO and Bartlett's Test.** (for independent variable)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.614
Bartlett's Test of Sphericity	Approx. Chi-Square	901.723
	Df	171
	Sig.	0

**Table 4: Total variance explained:** (For Independent variable)

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.385	38.871	38.871	7.385	38.871	38.871	4.711	24.792	24.792
2	3.144	16.547	55.418	3.144	16.547	55.418	3.539	18.628	43.421
3	2.051	10.793	66.21	2.051	10.793	66.21	2.856	15.033	58.454
4	1.164	6.124	72.334	1.164	6.124	72.334	2.637	13.881	72.334
5	0.903	4.751	77.085						
6	0.822	4.326	81.411						
7	0.702	3.696	85.107						
8	0.613	3.225	88.332						
9	0.55	2.896	91.228						
10	0.361	1.899	93.126						
11	0.302	1.587	94.713						
12	0.26	1.369	96.082						
13	0.184	0.967	97.049						
14	0.165	0.866	97.915						
15	0.145	0.762	98.676						
16	0.105	0.552	99.228						
17	0.082	0.429	99.658						
18	0.044	0.231	99.889						
19	0.021	0.111	100						
Extraction Method: Principal Component Analysis.									

**Table 5: Rotated component matrix**

<b>Rotated Component Matrix<sup>a</sup></b>				
	Component			
	1	2	3	4
rw_policy	0.852			
op_salary_structure	0.787			
op_communication	0.779			
rw_bonus	0.74			
rw_promotion	0.73			
ps_effort	0.726			
op_consistency	0.642			
op_pay_rise		0.87		
rw_motivation		0.809		
ic_productivity		0.742		
rw_performance		0.715		
ic_satisfaction		0.661		
mt_deeds			0.845	
mt_income			0.771	
mt_status			0.61	
mt_luxury			0.564	
ps_equity				0.825
op_transparency				0.748
ic_adequate				0.706
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization. <sup>a</sup>				
a. Rotation converged in 6 iterations.				

**Table 6: KMO and Bartlett's Test**(For dependent variable)

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.764
Bartlett's Test of Sphericity	Approx. Chi-Square	100.437
	Df	10
	Sig.	0

**Table 7: Total variance explained.**(For dependent variable)

<b>Total Variance Explained</b>						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.956	59.115	59.115	2.956	59.115	59.115
2	0.727	14.533	73.648			
3	0.613	12.261	85.909			
4	0.441	8.823	94.732			
5	0.263	5.268	100			

Extraction Method: Principal Component Analysis.