

A Correlational Study of Effort Reward Imbalance (ERI) and Job Satisfaction among Employees Working in Banking Sector of Pakistan

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ABSTRACT

The research was carried out to investigate the relationship of Effort Reward Imbalance (ERI) with Job Satisfaction of employees, working in banking sector. For this purpose the ERI questionnaire (Siegrist, 1996) and Job Satisfaction Survey (Spector, 1994) were used for measurement. The cross-sectional survey with purposive convenient sampling technique was used for data collection. The sample was consisted of 209 employees comprised of 149 male and 60 female employees working in different banks. 62.2% employees age ranging from 20-30, 25.8% from 31-40, 12% from 41-50. 71.3% were male and 28.7% were female. 9.1 % participants intermediate 43.5 % were a graduate 47.4 % were postgraduate. 59.8 % employees have 1-5 years of job tenure. 22.5% have 5 -10 years of job tenure 9.6% have 10-15 years of job tenure 4. 3% have 15-20 years of job tenure and 3.8% have 20-25 years of job tenure. The results revealed that effort reward imbalance and job satisfaction are correlated whereas gender has no significant impact with ERI and Job satisfaction of employees working in banking sector.

Keywords: Effort Reward Imbalance, Job Satisfaction, Bank Employees

INTRODUCTION

In Pakistan, the notion of human resource management is growing stronger by the day, and both employers and employees are becoming more conscious of their rights and responsibilities. The service industry in Pakistan's economy has lately begun to expand, and the banking sector is one of the most important in the country's financial market. Employees are unable to justify between work and other responsibilities because of increased work demands (Nadeem & Abbas, 2009).

ERI is theoretical framework about psychosocial work environment and well-being specially focuses on mismatch of efforts and rewards (Ren et al., 2019). Employees who experience (i.e. high efforts combined with low rewards) are more likely to suffer continuous unpleasant feelings and long-term stress reactions. Individuals in this state of imbalance are more prone to have counterproductive behaviors at workplace (Siegrist, 2002).

Scarcity of literature was observed during research on ERI model in Pakistan however, many other countries are now focusing on overcoming the issues of employees regarding effort reward balance. In education sector it was examined that teachers are putting more efforts and the reward from their institution are quite less as compare to their efforts (Hussain et al., 2016).

Effort-Reward imbalance situations can lead to depression. Strain reactions might occur as a result of an emotional state of discomfort as poor subjective health and absenteeism due to illness. Possessing of having challenging but insecure job and performing at a high level Examples include those who have not been offered any promotion opportunities as a result of a stressful imbalance (Van Vegchel et al., 2001).

Job satisfaction is described as an employee's sentiments, thoughts, and actions toward his or her workplace (Chen & Silverthorne, 2008). Employees get uncomfortable and unsatisfied with their work when they are uncertain about the responsibilities (Pu et al., 2017) and do not receive adequate reward leads to job dissatisfaction (Pan et al., 2015).

Job satisfaction refers to how happy or unhappy you are at work which people regard their employment (Azeem & Akhtar, 2014), and how it is influenced by the internal and external environments of the corporation Job design has an impact on job happiness.

Employees satisfaction is dependent on ERI model if they get opportunity or promotion or any kind of reward like increment in pays, bonus any relative incentive then the employee will be more satisfy with his/her job similarly, research indicates that, bank officers' job happiness is influenced by income, advancement prospects, rewards, and relationships with their bosses and coworkers (Kamal & Hanif, 2009).

ERI has lately been utilized to investigate the impacts on

employee well-being. It has been successful. Proved beneficial in a variety of job settings, particularly in the modern world globalization of business (De Jonge et al., 2000).

Companies use various incentives, awards, and recognition programs to ensure that workers' services are well used. When compared to other employees, satisfied individuals become more engaged, dedicated, and loyal to their companies (Imran et al., 2014). Rewards serve as a catalyst for increasing motivation to achieve goals and objectives. Without motivated workforce, the company will not be able to fulfill its goals.

Literature Review: Job satisfaction is feeling of ease at work (Brief & Weiss, 2002). Job satisfaction has been linked to a variety of organizational elements, including motivation, productivity, management, attitude, competition, and attitude.

Employee job satisfaction is generally characterized as how much they enjoy their employment. It's a mindset based on how employees feel about their jobs or work settings (Chen & Silverthorne, 2008). Compensation and job satisfaction research concluded that there is a positive relationship between rewards and job satisfaction and employees satisfaction enhances overall productivity at workplace (Abboh et al., 2022).

Research conducted in cement industry of Khyber Pakhtunkhwa (Pakistan) demonstrated positive relation of reward system and the performance (Qureshi et al., 2010). Research conducted in a Saudi banking sector revealed that rewards, motivation, and job satisfaction are significantly correlated whereas employees rewards has a favorable and statistically significant impact on their job satisfaction (Aamir et al., 2012).

Researchers found women reported worse effort-reward imbalances as well as poorer psychological health than men (Tzeng et al., 2012). They have a greater chance of reaching the "social barriers" of their chosen profession (Hegewisch & Hartmann, 2014).

Theoretical framework: The ERI paradigm based on broader approach to understand the psychosocial dimension of human health and well-being. It is presumptively true that personal self-regulation is beneficial to one's health and well-being (Siegrist, 2002). Job function is related to recurring opportunities to contribute and perform, to be rewarded or valued, and to belong to a major group. In terms of rewards, a considerable contribution is made. Money, esteem, and job prospects are distributed as scarce resources by three systems (Siegrist, 2002).

Employees may either unintentionally or actively contribute to high cost/low gain circumstances at work. For example, they may accept unfavorable job arrangements for a limited period of time in order to achieve strategic goals. They tend to boost their chances for job advancement and related opportunities for a variety of reasons. Rewards will be given at a later time. After so long efforts

if employee get no reward, will be extremely harmful to a person's ability to self-regulate (Siegrist, 2002). According to motivation hygiene theory, the majority of the factors that contribute to job satisfaction are motivators.(Herzberg, 1959).

ERI model and two factor theory focuses on reward and employee satisfaction, Reward bring job satisfaction and vice versa. Individuals have varying opinions of what they should receive as a reward. For example, some employees believe that being recognized by their boss is more fulfilling than receiving monetary compensation.

Organizational efficiency is achieved on the one hand by boosting production and profitability, while employee needs are met by lowering stress, job dissatisfaction, and other negative feelings associated with the workplace. It is necessary to pay close attention to employee engagement and retention in order to achieve success. Growth and success, as well as the creation of a work environment where people may thrive their work and put forth their best effort(Pan et al., 2015)

Conceptual framework: In the present study the effort reward balance (ERI) and Job Satisfaction were studied as two constructs correlated with each other. Imbalance in Effort-Reward system of organization can cause job satisfaction problems among employees which shows overcommitting with their work and it adverse health issues (Siegrist, 1996).



Rationale: The purpose of the present research was to focus on effort reward imbalance and its impact on job satisfaction of employees specially working in banking sector. When employees face imbalance in effort-reward system of an organization it has detrimental impacts on performance and satisfaction. When an employee faces an effort-reward imbalance issue at his or her place of employment. He or she eventually becomes a victim of various forms of psychological distress, which results in performance, motivation, satisfaction related issues and ultimately affects organizational productivity.

METHOD

Objective: To investigate the role of Effort Reward Imbalance with Job Satisfaction of Employees.

To investigate the gender differences with Effort Reward Imbalance and Job Satisfaction.

Hypotheses

- Effort reward imbalance has significant positive relationship with job satisfaction of employees.
- Gender differences exist between effort reward imbalance and job

Table 1: Results Analysis and Findings

Correlation between ERI and JSS (N=209)

	Pay	P	S	FB	CR	O	Co-workers	NW	C	JSS	Effort	Reward	OC
Pay	1	.48**	.34**	.58**	.56**	.04	.32**	.44**	.47**	.73**	-.34**	.42**	-.17**
P		1	.386**	.478**	.450**	.034	.354**	.568**	.36**	.71**	-.23**	.44**	-.26**
S			1	.300**	.352**	-.124	.574**	.471**	.49**	.66**	-.16*	.39**	-.15*
FB				1	.407**	.141*	.388**	.370**	.42**	.69**	-.18**	.38**	-.20**
CR					1	.004	.356**	.519**	.51**	.72**	-.18*	.33**	-.30**
O						1	.069	-.007	-.010	.156*	-.24**	.10	-.17*
Co-workers							1	.47**	.52**	.686**	-.17*	.38**	-.18*
NW								1	.47**	.75**	-.22**	.40**	-.29**
C									1	.73**	-.21**	.33**	-.18*
JSS										1	-.33**	.54**	-.32**
Effort											1	-.252**	.448**
Reward												1	-.195**
OC													1

Note: P=promotion, S=supervision, FB=fringe benefits, CR=Contingent rewards, O=operating conditions NW=nature of work, C=commitments, JSS= job satisfaction and OC= Over commitment

The table 1 shows There is a strong positive correlation between pay with promotion (.48**) supervision (.34**), fringe benefits

satisfaction among employees.

- There is no relationship between effort reward imbalance and jobsatisfaction among bank employees.

Research Design: Cross-sectional survey design was used with purposive convenient sampling technique to collect the data form employees working in different banks. Total number of participants were 209, comprised of 149 male and 60 females.

Instruments

Job Satisfaction Survey (JSS): This scale was developed by(Spector, 1994) to measure the level of job satisfaction among employees. The Job Satisfaction Survey (JSS) is a 36-item scale used to evaluate employee attitudes toward their jobs. The Scale is 6-point likert ranges from "strongly disagree" to "stronglyagree."

Effort-Reward Imbalance Questionnaire: The ERI questionnaire is a self-reported, standardized assessment of ERI that includes questions about effort, rewards, and over-commitment. Three 4-point Likert Scale questions (ERI) 16 items scale are used to evaluate effort in the current edition of the questionnaire. All Cronbach coefficients (effort =0.80, reward =0.84, over-commitment =0.85) are equal to or greater than 0.80, showing acceptable internal consistency. Cronbach's coefficient is more than 0.70, showing satisfactory internal consistency (the Cronbach coefficients for "hard effort," "reward," and "over-commitment" are 0.74, 0.79, and 0.79, respectively).

Sample: The sample consisted of 209 employees; comprised of 149 male and 60 female employees working in different banks.

Procedure and Ethical Consideration: The data was collected from employees working in different banks. The permission was taken from HR department for data collection and after rapport building data was collected from employees. Ethical factors were taken into account when conducting the research. Institutional approval was secured before reaching the banks. The permission form authors were taken to use research instruments. The study was adequately briefed and signed with informed consent. There was no violation of confidentiality, and the data was only used for research purposes. The participants were informed that they could leave the study at any time. Participants have the right to participate willingly. All ethical consideration was kept into concern. The detailed informed consent was given to participants. Confidentiality of participants was kept into consideration.

RESULTS

This study was carried out to find relationship between ERI and job satisfactions among bank employees. To interpret the data into statistical figures, SPSS 20.0 was utilized, and descriptive statistics, correlation, reliability analysis, one-way ANOVA, and t-test were performed.

(.58**), contingent reward (.56**), coworkers (.32**), nature of work (.44**) communication (.47**) and reward (.42**) although pay is

strong negative correlation with Effort (-.34**) and over commitment (-.17**). Communication is positively correlated with reward (.326**) and negatively correlated with effort (-.208**) and over commitment (-.176*). Job satisfaction is positively correlated

with reward (.543**) and negatively correlated with effort (-.326**) and over commitment (.321**). Effort has strong correlation with over commitment (.488**) and strongly negative correlation with reward (-.252**).

Table 2: T-test for gender on variables ERI and JSS (N=209)

Variables	Male		Female		t(df)	p	95% CI	
	M	SD	M	SD			LL	UL
Pay	14.89	3.96	14.6	4.24	.483	.629	-.921	1.51
Promotion	15.5	3.82	14.93	3.76	1.118	.265	-.496	1.79
Supervision	18.19	3.80	18.08	4.03	.118	.851	-1.055	1.27
Fringe benefits	14.82	3.67	14.53	4.06	.516	.606	-.843	1.44
Contingent rewards	15.07	15.05	3.76	3.55	.042	.967	-1.094	1.14
Operation conditions	11.93	12.51	3.00	2.74	-1.30	.195	-1.46	.301
Coworkers	17.95	3.60	18.01	3.47	-.117	.907	-1.138	1.01
Nature of work	17.04	4.19	15.9	4.60	1.602	.111	-.224	2.35
Communication	17.29	3.64	17.25	3.83	.080	.936	-1.068	1.15
JSS	142.8	22.2	140.96	22.70	.538	.591	-4.90	8.57
Effort	8.26	2.03	8.13	1.85	.424	.672	-.469	.72
Reward	19.6	3.06	19.7	3.07	-.040	.968	-.943	.90
Over commitment	15.29	2.84	14.96	2.91	.750	.454	-.534	1.19

In table 4 there is no significant difference exists between both genders of variable. However, some difference exists between their means like in operating condition male (M=11.93 and SD= 12.51) in females (M=3.00 SD=2.74). In contingent reward male (M=15.07 SD=15.05) while in females (M=3.76 SD=3.55)

Table 3: One-way ANOVA for Age on variables ERI and JSS(N=209)

Variables	20-30		31-40		41-50		f	P
	M	SD	M	SD	M	SD		
Pay	15.2	3.75	13.96	3.86	14.56	5.50	1.904	1.52
Promotion	15.3	3.79	15.42	3.67	15.80	4.29	.176	.839
Supervision	18.10	4.01	18.18	3.45	18.40	4.01	.061	.941
Fringe Benefit	14.81	3.79	14.81	3.48	14.24	4.43	.253	.777
Contingent Rewards	15.06	3.63	14.94	3.62	15.32	4.29	.087	.916
Operating Conditions	12.20	2.906	12.12	2.99	11.48	3.05	.643	.527
Co-workers	17.87	3.62	17.62	3.57	19.20	2.98	1.801	.168
Nature of work	16	4.25	17.35	4.33	19.24	3.66	6.9	.001
Communication	17.22	3.83	17.12	3.26	17.92	3.86	.435	.648
JSS	141.82	22.20	141.57	21.34	146.16	25.37	.429	.651
Effort	7.94	1.87	8.68	2.10	8.68	2.03	3.49	.032
Reward	19.71	3.12	19.42	2.85	20.24	3.20	.604	.547
OC	15.07	2.68	15.50	2.96	15.20	3.52	.415	.661

Table 5a shows One way ANOVA among different age group reveals that there is a significant difference on Variable of age higher in nature of work (f=6.9 p=.001) and effort (f=3.49 p=.032) between the age group of 41-50.

Table 4: Post Hoc Analysis for age with Variables with JSS and ERI in Age.

Dependent Variable	Groups		MD	SE	95% CI	
	I	J			LB	UB
Nature of Work	41-50	20-30	3.24	.919	1.06	5.41
Effort	31-40	20-30	.739	.316	-.0084	1.48

Further Post Hoc analysis (Table 5b) was conducted to reflect difference between groups on variables of age it shows that nature of work differs significantly between 41-50 and 20-30 (MD =3.24 p=.001) and on other hand 31-40 and 20-30 differs significantly among effort (MD =.739 p=.032).

DISCUSSION

The research was conducted to investigate the relationship of Effort Reward Imbalance (ERI) with Job satisfaction of employees working in banking sector. Employee motivation influences their attitudes and behaviors, which organizational experts have discovered is crucial since it allows the company to obtain a competitive advantage over its competitors. Focusing on the gender differences in the ERI model, in a recent study, it was tried to find that how ERI is linked with Job Satisfaction of employees.

Studies have shown that the impact of high effort-low return (i.e., unbalanced effort-return) on female burnout is significantly greater than that of high effort-low return (i.e., unbalanced effort-

return) on male burnout. On the other hand, the combination of high effort-high reward was found to be significantly associated with greater Job Satisfaction (Devonish, 2018).

It was assumed in first hypothesis that Job Satisfaction and Effort Reward Imbalance “There is significant relationship between effort reward imbalance and job satisfaction among bank employees” and study prove that both variables are highly correlated with each other as we can see in table 3. Both Effort and over commitment were discovered to have a negative relationship with job satisfaction, which is consistent with earlier findings (Pan et al., 2015). Effort Reward Imbalance is a significant predictor of job satisfaction (Panatik et al., 2012). The ERI hypothesis states that employees who put in a lot of effort but get little pay are more likely to get sick. Employees with a high level of over commitment have a higher risk of poor health (Van Vegchel et al., 2001).

The findings, which imply that ERI can have a direct impact on the job satisfaction, general employee well-being, and intents to leave the company, are consistent with those of other studies (De Jonge et al., 2000). The second hypothesis of this study is “There exist a gender difference between effort reward imbalance and job satisfaction”. As we can see in table 4 that there is no difference exists in gender among variable although many studies find gender differences with respect to ERI and job satisfaction (Ren et al., 2019).

Another hypothesis of this study is that “There is no significant relationship between effort reward imbalance and job satisfaction among bank employees”. The null hypothesis is rejected by providing support to the first hypothesis that ERI is positively correlated with Job satisfaction (Van Vegchel et al., 2001).

CONCLUSION

Aim of this research was to find the relationship between Job satisfaction and Effort Reward Imbalance. The study suggests Job satisfaction and effort reward imbalance are highly correlated with each other whereas no gender differences were found among ERI and Job Satisfaction. Organizations should be careful to analyze how different sorts of stressors (effort-reward imbalance) affect employees at work.

Implications: The research can be a great help to understand Effort Reward Imbalance and its impact in organizations specially in banking sector. It will also help banking sector's HR department to meet employees need and plan reward system according to the efforts employees are putting in their jobs (to keep them satisfied at work). Further the study can contribute to HRM department of any organization to help their employees to overcome discrepancies in effort-reward system of the organization.

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