

Differentials in Income Satisfaction among the Industrial Workers at Rajshahi City in Bangladesh

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Abstract

Employees' satisfaction is important both for the sake of individuals themselves and also for employers for whom happy staff should be considered as productive staff. Although many variables are supposed to be influential over job satisfaction, in this study the influence of income satisfaction has been studied. It is more common in Bangladesh that ever increasing pressures to sustain, in the context of growing need, have pushed people to engage in income generating activities. The option for people to make choices and to claim rights to decent employment has remained elusive in the context of survival and hence has been subjected to injustices and dispossession. Lower pay means higher dissatisfaction of the employees. The study also indicates that the income satisfaction of the employees largely varies according to their socio-economic backdrops. The results of this study could serve as eye-openers to the policy makers, management, employee unions, and the society at large in creating of policies and programmes that can improve the income satisfaction of the employees in the industrial sector in Bangladesh.

Key words: Income satisfaction, job satisfaction, industrial sector, logistic regression analysis, Bangladesh.

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Introduction

Bangladesh is one of the densely populated countries of the world where labour or human resources is available. So, labour is unusually cheap here. By taking this cheap labour as an opportunity, the industrialists are more likely to exploit this cheap labour. They are making profit only for them by providing lower pay to their employees and it creates an unsatisfactory situation for them. It is true that, for a businessman, profit is the ultimate goal and motivation but profiteering is destructive to human beings. Employees are the heart of an industry/organization. With the increase of changes in the corporate world, the industry/organization needs to address employees' satisfaction (Aydogdu and Asikgil, 2011). This employees' satisfaction largely depends on their income from their job. Studies have shown that the job satisfaction of employees is mainly influenced by the level of his/her income (Ismail et al. 2011; Takei et al., 2009; Jones and Sloane, 2007; Bender and Heywood, 2006; Oshagbemi, 2000).

It is a matter of fact that, income satisfaction of the employees is essential for their job satisfaction, which leads to higher industrial/organizational productivity. Job satisfaction is the most widely researched job attitude and among the most extensively researched subjects in Industrial/Organizational Psychology (Judge and Church, 2000). However, workers in industrial sectors who were less well-paid were the most unhappy with their earnings compared with their workload. The pleasure from pay satisfaction is also an important thing that is linked to some administrative outcomes and success. For example, some evidence proposes that dissatisfaction with pay can lead employees to decreased job satisfaction, decreased interest in working, and decreases the learning level of employees, motivation and performance, and increased absenteeism and turnover, and more pay-related grievances (Chaudhry et al., 2011). Therefore, both management theorists and practitioners are concerned with methods for improving job satisfaction, because greater job satisfaction equates to a better quality of life, better health, and potentially greater performance and productivity.

Bangladesh is one of the developing countries in the world where the industry sector is the main economic driver after the agriculture sector. A lion's share of its population is engaged in this industrial sector. Additionally, the contribution of industry sector to GDP is increasing in Bangladesh which has been estimated at 32.42 percent in 2016-17 while 31.54 percent in 2015-16 (Bangladesh Economic Review, 2017). The industrial sector is playing a double role for the country. One, the country earned more foreign currency by exporting these industrial products and the other is this sector is providing job opportunities to its large population. However the industrial sector is a rising sector in the country; it cannot handle the job satisfaction of their employees. Employees' think that they are paid less compared to their workload. As a matter of fact income satisfaction of the employees is widely related to the industrial satisfaction in terms of output and productivity. Their thinking of income dissatisfaction varies according to their socio-demographic characteristics. Thus, an attempt is made in this study to focus the differentials in income satisfaction of the employees in three industries in Rajshahi city, Bangladesh. It is believed that, the analytical results of this research may be helpful to the policy makers, planners and researchers in developing suitable programmes addressing the case of income satisfaction in industrial sectors throughout the country.

Methods and Materials

This study is mainly based on primary data. The study sample comprises 414 respondents from three industries of which 80.1 percent are male and 19.9 percent are female. The inclusion criteria were the respondents who were paid salary from the industry per month. The study followed a cross-sectional design where, data were collected by direct interviews. The respondents were selected by simple random sampling and in proportion to the total monthly paid salaried respondents, which accounted for 60 percent during the period between January and March, 2015. This percentage of the data is considered more than sufficient to represent the minimum data sampling. Information from different books, publications, research studies, journals, articles and websites are also used to complete this study. The primary data for this study were collected from three industries located in Rajshahi city under Rajshahi district of Bangladesh. The first step was to contact human resource departments of each of the industries. A meeting with the human resource department was arranged and the purpose, general outline, methods and details of this study were explained. Then the interviews were carried out.

The data were edited, compiled, processed and analyzed by using SPSS 16.0 programme. We have performed univariate classification analysis, that is, percentage distribution in order to observe the socio-demographic characteristics of the respondents. Also, bivariate classification analysis (cross-tabulation) is used to investigate the association of socio-demographic characteristics with the income satisfaction of the employees. Finally, a multivariate technique named as logistic regression analysis is used for determining the impact of socio-demographic factors on income satisfaction of the employees in the industrial sector.

Results and Discussion

Socio-Demographic Backdrops of the Respondents

There are a number of characteristics of the respondents which are subject matter of the analysis. Some of them are shown in Table 1.

It is observed that the majority of the respondents belong to the age group 40-49 years (31.7 percent) followed by 26.9 percent in the age group 30-39 years and 22.8 percent aged less than 30 years. Also, 18.7 percent of the respondents are aged 50 years and more (Table 1). The average age of the respondents is 38.5 years. All the industries under study are more physical labour oriented industry where gender inequality is very common. It is found that, 8 of every 10 respondents are male. As a populous country, 82.5 percent of the respondent's under study have their household size in between 4 to 6 persons. Additionally, the average household size of the respondents is 4.8 (Table 1). Most of the respondents (91.8 percent) are married and the remaining are in other categories that include unmarried (6.2 percent) while 1.9 percent are divorced/separated and widow/widowed. Considering educational status of the respondents, the majority of the respondents (61.9 percent) are secondary or less educated. Only a small portion of the respondents (12.2 percent) have secondary and higher education. The clear picture about educational status is found by showing the average years of schooling where the average years of schooling was only 5.9 years. This result is an indication of a less educated employee based industry and also physical labour based. However, purposeful education enables the individuals to understand and to study the real life situation and to develop an opportunity for creating confidence in the minds of the younger generation, and provide a strong base for rational and value oriented and nation-building progress (Myers and Harbison, 1965; Mingat and Tan, 1986). It is found that most of the respondents (93.5 percent) received training regarding their assigned work with the help of other experienced employees. Regarding job security, 56.6 percent of respondents feel job insecurity. However, 43.4 percent feel job security but this security only depends on their belief that they are experienced and skilled so that the industry never bound them to leave their job. Considering income, most of the respondents have a great objection to the poor salary structure provided by the industry but, do not want to focus on it due to the restrictions of the authority. It is found that 8 of every 10 respondents are not satisfied with their income from the industry. Although, nearly 20 percent of respondents are satisfied with their income, in most cases, their satisfaction is based on the truth "something is better than nothing" (Table 1).

Association of Respondents' Characteristics with Income Satisfaction

Life and livelihood status of an employee is largely influenced by their income satisfaction. It is also fundamental for the productivity of any organization. It is believed that employees' opinion about the organizations they work for is very important and their performance depends on their satisfaction with their work (Uyargil, 2010). Table 2 represents the association of different variables of the respondents with their income satisfaction. It is found that different levels of the respondent's

Table 1: Socio-demographic Characteristics of the Respondents

Variables	Frequency	Percentage
Age Composition		
< 30 years	95	22.8
30-39 years	112	26.9
40-49 years	132	31.7
50+ years	78	18.7
Average age	38.5	
Sex Composition		
Male	334	80.1
Female	83	19.9
Household (HH) Size		
1- 3	42	10.1
4 – 6	334	82.5
7+	31	7.4
Average HH Size	4.8	
Marital status		
Married	383	91.8
Unmarried	26	6.2
Others	8	1.9
Educational status		
Primary incomplete.	108	25.9
Secondary incomplete.	258	61.9
Secondary to higher	51	12.2
Average years of schooling	5.9	
Having training		
Yes	390	93.5
No	27	6.5
Job security		
Yes	181	43.4
No	236	56.6
Satisfaction of income		
Yes	83	19.9
No	334	80.1

Table 2: Association of Respondents' Characteristics with Income Satisfaction

Variables	Satisfied with income		Total
	No	Yes	
Age (in years)			
< 30	72 (75.8)	23 (24.2)	95 (100)
30-39	91 (81.2)	21 (18.8)	112 (100)
40-49	114 (86.4)	18 (13.6)	132 (100)
50+	57 (73.1)	21 (26.9)	78 (100)
Total	334 (80.1)	83 (19.9)	417 (100)
	$\chi^2 = 6.86$; d.f. = 3; p = 0.076		
Sex			
Male	282 (84.4)	52 (15.6)	334 (100)
Female	52 (62.7)	31 (37.3)	83 (100)
Total	334 (80.1)	83 (19.9)	417 (100)
	$\chi^2 = 19.78$; d.f. = 1; p = < 0.001		
Household size			
1-3	28 (66.7)	14 (33.3)	42 (100)
4-6	281 (81.7)	63 (18.3)	334 (100)
7+	25 (80.6)	6 (19.4)	31 (100)
Total	334 (80.1)	83 (19.9)	417 (100)
	$\chi^2 = 5.30$; d.f. = 2; p = 0.071		
Marital status			
Married	317 (82.8)	66 (17.2)	383 (100)
Unmarried	14 (53.8)	12 (46.2)	26 (100)
Others	3 (37.5)	5 (62.5)	8 (100)
Total	334 (80.1)	83 (19.9)	417 (100)
	$\chi^2 = 22.05$; d.f. = 2; p = < 0.001		
Level of education			
Primary incomplete	81 (75.0)	27 (25.0)	108 (100)
Secondary incomplete	226 (87.6)	32 (12.4)	258 (100)
Secondary and higher	27 (52.9)	24 (47.1)	51 (100)
Total	334 (80.1)	83 (19.9)	417 (100)
	$\chi^2 = 34.45$; d.f. = 2; p = < 0.001		
Have training			
No	192 (81.7)	43 (18.3)	235 (100)
Yes	142 (78.0)	40 (22.0)	182 (100)
Total	334 (80.1)	83 (19.9)	417 (100)
	$\chi^2 = 0.87$; d.f. = 1; p = 0.35		
Job security			
No	179 (75.8)	57 (24.2)	236 (100)
Yes	155 (85.6)	26 (14.4)	181 (100)
Total	334 (80.1)	83 (19.9)	417 (100)
	$\chi^2 = 6.16$; d.f. = 1; p = 0.013		

age are strongly associated with their income satisfaction ($p < 0.001$). It is observed that, 8 of every ten respondents are not satisfied with their income. In recent times, high inflation rate creates price hike of essential commodities, making it difficult to maintain a minimum standard of life especially for those with no or fixed income. The possible reason for which they are not satisfied with their income might be that, their income is not adjusted with the higher inflation rate in the recent year. Considering respondent's age, the majority of the respondents (86.4 percent) in the age group 40-49 years are not satisfied with their income. However, 26.9 percent of the respondents aged 50 years and above are satisfied with their income. They are satisfied in the sense that, they can earn some money at this stage of life and are able to participate in the maintenance of their family.

In Bangladeshi society, female work is still limited and home oriented. Earning some money is a joyous matter to them. It is reflected in the results that, females (37.3 percent) are more satisfied with their income than their male counterparts (15.6 percent) and their differences are statistically significant ($p < 0.001$). Additionally, 84.4 percent of the male respondents are not satisfied with their income whereas, it is 62.7 percent for females (Table 2). Although women generally have poorer working conditions than men (lower salaries, less promotion opportunities, lower job security), on average, they tend to be more satisfied with work (Hakim 1991, Curtice 1993, Clark 1997). It is observed that, respondents having household size 4 and more are not satisfied with their income. The majority of the respondents (81.7 percent) having household size 4-6 are not satisfied with their income whereas, 33.3 percent of the respondents having a comparatively lower household size (1-3) are satisfied with their income. One of the key findings here is that, the percentage of the respondents who are satisfied with their income is decreasing as their household size is increasing. Furthermore, the association between the household size and income satisfaction of the respondents is significant ($p = 0.071$). The highest percentages of the respondents who are married are not satisfied with their income (82.8 percent) compared to the other marital status categories. This may be due to the maintenance of their family. The difference between the different levels of marital status and income satisfaction is statistically significant ($p < 0.001$).

Level of education is also significantly associated with the satisfaction with income of the employees ($p < 0.001$). Respondents with secondary incomplete education contain higher percentages (87.6 percent), who are not satisfied with their income. The percentage of the respondents, who are satisfied with their income is higher (47.1 percent) are secondary and higher educated. It is also observed that, the percentage of the respondents, who are satisfied with their income, is increasing with the increase of their education level (Table 2). One possible reason that might be responsible for that is respondents with higher level of education hold higher positions with higher income than the lower educated respondents. Table 2 also demonstrated that trained employees are more satisfied with their income than those who are not. The association of income satisfaction with the respondents having training or not is not statistically significant ($p = 0.350$). Job security of the respondents is also significantly associated with their income satisfaction ($p = 0.013$). The highest percent-

age of the respondents with job security is not satisfied with their income (85.6 percent) whereas, among the respondents, who are satisfied with their income, the majority of them have no job security.

Results of Logistic Regression Approach on Income Satisfaction of the Respondents

We apply logistic regression technique to estimate the effects of selected independent variables among the respondents on their income satisfaction. Here, respondents' income satisfaction is considered as the dependent variable which is dichotomized by assessing '1' if the respondents were satisfied with their income and '0' otherwise. The explanatory variables considered in the model are as follows: respondent's age, sex, household size, marital status, level of education, training and job security. The logistic regression technique can be used not only to identify the risk factors but also predict the probability of success. The technique expresses a qualitative dependent variable as a function of several independent variables, both qualitative and quantitative.

Income satisfaction of the respondents is largely influenced by their age as it is observed from Table 4. Respondents aged 50 years and above are 3.15 times significantly (positive) and more likely to be satisfied with their income than those who are less than 30 years old (reference category). Additionally, respondents aged 30-39 years and 40-49 years are 99 percent and 92 percent more likely to be satisfied with their income than the reference category respectively (Table 4). More specifically, it is observed that, respondents with higher age level are more preferable to the dependent variable than their younger counterparts. Sex of the respondents also exerts the significant effect on the dependent variable. It is found that female respondents are 3.73 times more likely to be satisfied with their income than the reference category. Household size of the respondents also has a positive effect on their income satisfaction. It is observed that respondents with households size 4-6 and 7 and above are 25 percent and 32 percent less likely to be satisfied with their income than the reference category respectively. Like household size, respondent's marital status also exerts the significant effect on their income satisfaction as well. Respondents with other marital status category (i.e. unmarried, divorced/separated and widow/widower) are 6.00 times significantly (positive) and more likely to be satisfied with their income than those who are married (reference category).

Level of education of the respondents also has significant effect (positive) on their income satisfaction. Respondents with secondary and higher education are significantly (positive) 5.69 times more likely to be satisfied with their income. Respondents, having training are not significant but 58 percent are more likely to be satisfied with their income than those who have not, i.e. the reference category. Job security has demonstrated a significant effect on income satisfaction. It is found that respondents having job security are 68 percent significantly (negative) but less likely to be satisfied with their income than the reference category (Table 4). The result is quite similar to the previous study conducted by Clark that job satisfaction is "higher for women, older workers, and those with lower levels of education" (Clark, 1996).

Table 3: Some Selected Variables and their Categories

	Name of Variables		Categories
	Dependent	Independent	
Income satisfaction of the employees; '1' if the respondents are satisfied with their income and '0' otherwise	Age		1 = Less than 30 years 2 = 30 – 39 years 3 = 40-49 years 4 = 50 + years
	Sex		1 = Male 2 = Female
	Household size		1 = 1-3 2 = 4-6 3 = 7+
	Marital status		1 = Married 2 = Others
	Level of education		1 = Primary incomplete 2 = Secondary incomplete 3 = Secondary and higher
	Having training		1 = Yes 0 = No
	Have job security		1 = Yes 0 = No

Table 4: Results of Logistic Regression Analysis on Income Satisfaction of the Respondents

Variables	Income satisfaction of the employees	
	ERC	OR
Age of the respondents		
< 30 years [®]	-	1.00
30-39 years	0.69*	1.99
40-49 years	0.65	1.92
50+ years	1.15**	3.15
Sex of the respondents		
Male [®]	-	1.00
Female	1.32***	3.73
Household size		
1-3 [®]	-	1.00
4-6	-0.29	0.75
7+	-0.38*	0.68
Marital status		
Married [®]	-	1.00
Others	1.79**	6.00
Education status		
Primary incomplete [®]	-	1.00
Secondary incomplete	-0.41	0.66
Secondary and higher	1.74***	5.69
Have training		
No [®]	-	1.00
Yes	0.46	1.58
Have job security		
No [®]	-	1.00
Yes	-1.2***	0.32
Constant	-2.1***	0.12

Notes: ERC = Estimated Regression Coefficient;

OR = Odds Ratios;

[®] = Reference Category;

Coefficient significant at least 10 percent level is shown in bold type; and

Level of significance: ***p<0.01; **p<0.05; *p<0.10

Conclusions

Bangladesh is on the path to development over the last few decades and industrial sectors play an accelerating role in that development. This sector largely depends on human labor. As a densely populated country, in Bangladesh a large number of workers are appointed with low cost compared with other countries. But several times this sector has been troubled due to workers' unrest. Workers strike against their industry owners to get a minimum salary so that they can maintain a normal life. Studies have shown that low wage is the key reason for workers' agitation (Azad, 2014). Some studies have shown that job satisfaction is influenced by the level of income (Oshagbemi, 2000; Bender and Heywood, 2006; Jones and Sloane, 2007). It is evident that employee job satisfaction can improve service quality and increase employee satisfaction. If a worker is happy with the salary he is earning he is more likely to perform to his potential. It is more common that a person earning a high salary feels motivated to do a good job, because he wants to please his employer to retain his position. His salary brings him a feeling of security, allows him to feel accomplished and gives him a high status ranking that he enjoys. The analysis of this study shows that the income satisfaction of the respondents are significantly associated and influenced by various socio-economic characteristics. Among the socio-economic groups characterized by lower income satisfaction are lower age, men, married and higher household size. However, some socio-economic characteristics of the employees are significantly and more likely to have them be satisfied with their income than their reference category but the reason behind their satisfaction is "something is better than nothing".

Income dissatisfaction causes workers to become unhappy with their jobs and they sometimes quit, which can be costly both to employees and employers. It is not only for the individual growth but also to overcome organizational and national progress. Often people are motivated by money. Generally, a worker doesn't simply view his salary as a dollar amount but he sees it as the value his employer places on him as a worker. The level of appreciation he feels can have a direct impact on his overall performance. The authorities must take utmost good care of all parties involved for the right balance between worker's demand and industries return. Under these circumstances, results of this study will be more helpful for the owner of the industry, policy makers, civil society organizations, researchers and last but not least for the government for redrawing new policies in order to satisfy their employees. Bangladesh, despite having witnessed some progress in the development of its human resources over the last two decades, is still facing multiple challenges of enactments, enforcements, and violations of workers' rights. Rights and wages, often the fruits of hard fought bargaining, are also perceived to be part of the problem in the current orthodox thinking. In mainstream analysis all too often workers are asked to bear the brunt of the costs of adjustment, in terms of soaring unemployment and plummeting wages, even when the labour market is not the core of the problem facing the industries as well as the country.

Limitations and Direction of Future Research

One of the major limitations of this research was the small sample size. Another limitation is only three industries at Rajshahi

City of Bangladesh were included in this study; the variables used in establishing the relationships in the study are only limited to income. Therefore, future research can be conducted in other industries using additional variables which might have not been employed in this study.

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