

# **IMPACT OF SALARY ON THE RELATIONSHIP BETWEEN SELF-ACTUALISATION AND JOB-PERFORMANCE**

## **A Study of Industrial Managers**

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The paper examines the impact of salary on the primary relationship between self-actualisation and job-performance of industrial managers. The study concludes that annual salary does not have a significant impact on the relationship between self-actualisation and job-performance. The salary is only one of the maintenance factors, not a motivational factor.

### I

#### **Introduction**

Productivity and higher productivity is the slogan of the day. For raising productivity at the micro level, the basic task of management is that of maintaining an organisation that functions effectively. To achieve this, the management must harness the potentialities of every individual and group to the fullest extent possible by creating an organisational environment in which every member of the organisation functions optimally.<sup>1</sup> To realise this goal, the management has to accomplish results in the field of managerial planning, effective organising of human and non-human resources, effective direction through leadership, motivation and communication, and effective control system followed by an efficient co-ordination network. The present study aims at studying motivational dynamics in terms of Maslowian self-actualisation need and its relationship with job-performance.

### II

#### **Statement of the Problem**

An attempt has been made to examine the impact of 'salary' on the primary relationship between self-actualisation and job-performance of industrial managers.

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## III

**Importance of the Study**

To excel in the modern competitive world, there is a critical need to understand better how, why and when some employees perform well, others marginally well and while others work unsatisfactorily in all types of organisations and, in particular, in industrial organisations. Every year lakhs of rupees are spent on training and developing employees to be more productive and to accept and handle greater responsibility. Despite the efforts of employers, there has been little progress in defining and understanding the relationship between an individual's motivational needs and his demonstrated ability to perform on the job. This study is expected to be a step in this direction.

If such predictive relationship could be established even within the most generally accepted guidelines, it would not only aid the organisations in their financial growth, but would serve to reward the individual as well. More specific implications focus on procurement practices, promotional evaluations and training programmes.

## IV

**Explanation of the Terms Used**

- i. *Management personnel* included all those managers who fall below the line of top executives i.e., Directors and General Managers. This included supervisors working at the operating level.
- ii. *Job-performance* is the execution of a specific duty, role or function within a given organisation measured in terms of basic management skills like knowledge, planning, motivation of subordinates, etc.
- iii. *Self-actualisation* means to become all that one is capable of becoming. Maslow expressed it: "What a man *can* be, he *must* be".<sup>2</sup> In other words, self-actualisation is the desire to become everything that one is capable of becoming. Individuals satisfy this need in different ways. In one person it may be expressed in the desire to be an ideal mother; in another it may be expressed in managing an organisation; in another it may be expressed athletically; in still another by playing the piano. In effect, self-actualisation is the person's motivation to transform the perception of self into reality.<sup>3</sup>

## V

**Basic Assumptions**

Underlying Maslow's description of self-actualised people, these are the premises<sup>4</sup>:

1. Basic needs (the need hierarchy culminating in self-actualisation) are operative throughout society and may be found in man regardless of his occupation, station in life, or ethnic and cultural background.
2. Man seeks to satisfy his basic needs continuously, and therefore, these can be measured at any point in time.
3. Man expresses these needs not only in the choice of his occupation but in his desire or lack of desire to grow and succeed within his occupational environment.

## VI

### The Sample

The sample consisted of 433 middle and lower level managers employed in ten selected industrial organisations<sup>5</sup> located in and around Delhi. All the selected organisations were engaged in manufacturing activities and had been in business for the last 24 to 54 years.

The total number of managers who were distributed the set of the research instruments was 587. Of this total, 154 were eliminated for one or the other reason: either the individual did not respond to the questionnaire at all or having responded, the data on their questionnaires were either unintelligible or incomplete. Thus, the total usable sample amounted to 433 participants, or a testable response rate of 74 per cent.

For testing whether the annual salary of the respondents has a meaningful impact on the relationship between self-actualisation and job-performance, all the respondents were divided into the following four income groups:

Group No	Annual Salary (upper limit inclusive) (in thousand rupees)	N
I	50 – 60*	196
II	60 – 80	129
III	80 – 100	73
IV	100 +	35

\* There was no supervisory level manager who earned less than Rs. 50,000 per annum.

## VII

### Research Instruments

#### 1. *Personal Orientation Inventory (POI)*<sup>6</sup>

Shostrom's POI was used for measuring the level of self-actualisation of the managers. The POI was constructed to measure the values and behaviour characteristics of the self-actualising person. The test was not exclusively based on the formulations of Maslow, but included the theories of Riesman, Glazer, Denny, May, Angel, Ellenberger, Pearl, Bach and Goldberg.<sup>7</sup>

The POI consists of 150 two-choice comparative-value-judgement items reflecting values and behaviour seen to be of importance in the development of the self-actualising individual. In responding to the POI, the respondent is asked to select the one statement in each pair that truly reflects his personality. An example of the POI item is:

I feel guilty when I am selfish.

I don't feel guilty when I am selfish.

The POI items are scored twice, first for two basic scales of personal orientation, inner-directed support (127 items) and time competence (23 items) and second for ten subscales each of which measures a conceptually important element of self-actualising.

For the purpose of this study, time-competence<sup>8</sup> and inner-directedness<sup>9</sup> scales were computed. In addition to these scales, a simple combination of inner-directed and time-competence was also calculated which serves the best "single" predictor of an overall measure of the POI.<sup>10</sup>

### 2. *The WPS Supervisor – Executive Evaluation Scales (WPS –ES)*<sup>11</sup>

The WPS –ES were used for evaluating the performance of the managers. Through WPS –ES, each manager of the sample was evaluated twice – by himself and by his superior. Both used the same 110 WPS-ES statements. The 110 WPS-ES statements are grouped into 11 areas related to effective management. Each of the 11 areas has ten statements; thus there are 110 statements in each WPS-ES.

The items in the appropriate forms of the EPS-ES are similar in all respects except for changes in pronouns. The grammatical changes were made to further personalise the self-rating form and to maintain an unmistakable distinction between the two forms. An example follows:

Item 2, WPS-ES Self-Evaluation: I have too much work to do.

Item 2, WPS-ES Superior-Evaluation: He has too much work to do.

### 3. *Background Information Blank (BIB)*

All the participants were requested to furnish certain biographical and demographic information. The BIB does not have a significant impact on the relationship between self-actualisation and job-performance. In other words, as annual salary of a manager varies, the degree of relationship between self-actualisation and job-performance does not vary significantly. The degree of relationship between self-actualisation and job-performance remains almost the same at all levels of salary. This is in conformity with the general motivational belief about managers. That is, salary is one of the maintenance factors only and is not a motivational factor.<sup>14</sup>

TABLE I: Self-Actualisation Vs. Job-Performance

POI: "Overall Measures" vs. WPS-ES: Self-Rating: Composite and WPS-ES: Supervisor-Rating: Composite  
 Dependent Variables are: WPS-ES: Self-Rating: Composite & WPS-ES: Supervisor-Rating: Composite

	Correlated with : POI: "Overall Measures"								
	Time-competence			Inner-directed			Composite		
	r	r <sup>2</sup>	t	r	r <sup>2</sup>	t	r	r <sup>2</sup>	t
Group I (N = 196):									
Self-Rating	.05	.00	.73	.15	.02	2.08 <sup>+</sup>	.14	.02	2.01 <sup>+</sup>
Supervisor-Rating	.08	.01	1.11	.07	.00	.96	.08	.01	1.14
Group II (N = 129):									
Self-Rating	.12	.01	1.32	.20	.04	2.30 <sup>+</sup>	.20	.04	2.30 <sup>+</sup>
Supervisor-Rating	-.03	.00	.31	.19	.04	2.16 <sup>+</sup>	.15	.0	1.75
Group III (N = 73):									
Self-Rating	.12	.01	1.06	.21	.04	1.77	.23	.05	2.01 <sup>+</sup>
Supervisor-Rating	.00	.00	.01	.07	.00	.55	.05	.00	.44
Group IV (N = 35):									
Self-Rating	.31	.10	1.88	.31	.10	1.88	.34	.12	2.11 <sup>+</sup>
Supervisor-Rating	.16	.03	.94	.04	.00	.24	.08	.01	.45

\* Significant at the .01 level

+ Significant at the .05 level

N = 433.

The supporting studies have been undertaken by Lahiri and Srivastava; Laxmi Narain; Gellerman; Akhtar and Pestonjee; Lawler; Sharma; Ganguli; Roche; Prabhu et al; Mohanty; Venkataraman and Anantharaman; Bose as well as Bhatia. Lahiri and Srivastava in a study of middle level managers found that salary was a dissatisfier and not a motivational factor.<sup>15</sup> Laxmi Narain in a comprehensive study of managers concluded that pay was ranked very low as compared to intrinsic factors like accomplishment.<sup>16</sup> Gellerman pointed out that in most kinds of business organisations, money was actually used as a means of keeping an organisation adequately staffed and not as a motivator.<sup>17</sup> Akhtar and Pestonjee concluded that participation and recognition were rated more important than pay.<sup>18</sup> Lawler in a study of six hundred middle and lower level managers found virtually no relationship between their salary levels and their rated performance.<sup>19</sup> Sharma found that the managers had the higher preference for intrinsic job factors as compared to extrinsic ones.<sup>20</sup> Ganguli, on the basis of a study of middle level managers disclosed that status was more important than salary in organisational setting.<sup>21</sup>

Roche found that need for self-actualisation surpassed the need for greatly increased compensation among executives.<sup>22</sup> Prabhu *et al* in their study found that salary was ranked lower as compared to intrinsic job factors including self-actualisation.<sup>23</sup> Mohanty found that money was not a major motivating factor; recognition was more important than money.<sup>24</sup> Venkataraman and Anantharaman found that the greatest importance was placed on the self-actualisation

need by all the managers.<sup>25</sup> Bose<sup>26</sup> as well as Bhatia<sup>27</sup> concluded that executives laid more emphasis on intrinsic factors of job motivation.

#### NOTES & REFERENCES

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