

# Employee Commitment -Investor in People Model

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## Abstract

The performance of the organization is directly impacted by level of Employees Commitment?. The ?Employee Commitment? â???" Investors in People (IIP) Model was selected as the reference sample for this study. The IIP model emerged in UK and is being successfully implemented in the western countries. Lot of prior research has been carried out across the world on IIP however no research work is done to test the validity of this model in developing countries like Pakistan. As per IIP, the employee commitment is dependent variable of four independent variables i.e employee contribution recognition, support people development, equality of opportunities and encourages performance improvement. This study was based on the hypothesis that? IIP said employee commitment variables are secondary and tertiary motivators and are not workable in Pakistan unless primary needs of the employees are fulfilled?. The research study conducted in group of sample organizations comprising of multinational and local private organizations has confirmed the above hypo-thesis. The research findings concludes that ?Fair and Equitable Compensation Benefits?, Decent Work Environment, and People Development are key elements for firing up Employee Commitment?, in developing countries like Pakistan. The research findings and recommendations will help local entrepreneurs to improve productivity; quality of output and retaining highly motivated and charged workforce committed to improve organizational performance.

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**Index terms**— employee commitment, investors in people (IIP), , decent work environment, people development, organizational performance

## 1 Introduction

a) Problem Statement nizations those constitute the major part of the economy do not have the formal and structured HR system to work on employee productivity improvement programs and constantly monitor the employee commitment that is one of the critical factor in organizational productivity.

The employees' right of association and labor unions are taken as threat and accordingly has became the source of conflict and divide between the employees and the management. These strain relations have negatively impacted on the "Employee Commitment" leading to low productivity. It has become very important to focus on creating the awareness among the employers and developing the tools for enhancing the Employee Commitment", if want to address the problem of productivity in the organization.

## 2 b) Background of the Study

Pakistan is a country of 187 million population representing the population growth rate of 2.03%. The labor force constitutes 57 million and 3.4 million people are without jobs. The unemployment rate is increasing in the country and in 2011-12 the unemployment has increased to 8.8%. The employment in formal sector constitutes 26%. The state bank of Pakistan has reported high inflationary trend that is constantly pushing the people

## 7 I. HYPOTHESIS

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42 below the poverty line. The employees live with scarcity of resources to fulfill their primary needs as per their  
43 social class. The employee commitment for their job and the organization is very low because they have the  
44 feeling that their rightful benefits are not provided and are being exploited. The low employee commitment and  
45 moral adversely affects the productivity and quality of output as a result the entire organizational performance is  
46 compromised. There was a need to conduct the research study of the primary motivators in the organization that  
47 can increase the "Employee Commitment" being the starting point for success of any HR system in Pakistan.

### 48 3 c) Significance of the Study

49 In 1991 ministry of education in UK has undertaken a research study that has concluded that the organizations  
50 where Human Resources HR best practices were implemented, the productivity had increased upto 40%.Currently  
51 the Investor in People is the UK's leading business improvement tool for people management. 30 percent of the  
52 workforce is employed either by organizations that are recognized as Investors in People employers or organizations  
53 working towards achieving recognition status. The emerging challenges on the local entrepreneurs due to fast pace  
54 of globalization are demanding the delivery of high quality goods at most competitive rates. The rate of employee  
55 productivity in Pakistan is relatively lower than other developed countries. The quality of services rendered by  
56 the employees is also not up to mark and satisfactory. The low paid labor is the competitive advantage for the  
57 Pakistani organizations over other global competitors however its benefits could not be fully materialized due to  
58 low employee commitment and moral and their lack of focus on productivity and quality of output.

### 59 4 T

60 The HR Management systems are present to some extent in multinational and large private sector strategic  
61 organizations. The private sector local orga-This study results and recommendations will provide a roadmap  
62 to the entrepreneurs operating in developing countries like Pakistan, to improve the productivity and quality of  
63 output in the organization by firing up employee commitment. The study results will help the HR professionals  
64 to challenge the Paradigm that the money spent on employee compensation and benefit is an expense, to the  
65 new paradigm that each penny spent on employees in terms of better compensation and benefits, providing them  
66 decent work environment and people development is an investment. The pay back of all such investments is fast  
67 and multiple.

### 68 5 d) Scope of Study

69 The research study will primarily focus on the organizations operating in Pakistan that will include Multinational  
70 private, large size top of the line Public sector organizations, government and private sector organizations. The  
71 study will be limited to; Employee Commitment" -IIP Model, research studies conducted to date relevant to the  
72 topic and HR practices prevalent in Pakistan with particular reference to Pakistan.

73 The scope of the research study for the purpose of developing the Human Resources Model for Pakistan  
74 includes but not limited to the study of the sample organizations as case study, study of the western model of  
75 HR, literature review, comparative analysis and cross matching of the results to conclude the research findings  
76 using various research techniques.

### 77 6 e) Objective of the Study

78 The underlining objective of this research study was to develop a strong "Case for Action" to convince the local  
79 entrepreneurs that the investment on enhancing employee commitment is not an Expense", rather an investment.

80 The said HR frame work will be a breakthrough in Pakistan Human Resources management discipline and will  
81 be a competitive advantage for the entrepreneurs and professional adopting this model to improve the productivity  
82 of their employees and improve the organizational performance and facilitate as follows:

83 ? Facilitate the local entrepreneurs and the professional Managers to understand the correct definition of  
84 "Employee Commitment"

85 ? Help the Pakistani entrepreneurs to understand the link between Employee Commitment and organizational  
86 productivity.

### 87 7 i. Hypothesis

88 IIP Model -The commitment of the employees will improve if the organization is following four key motivators  
89 are present in the organization

90 The organization is committed to supporting the development of its people.

91 People are encouraged to improve their own and other people's performance.

92 People believe their contribution to the organization is recognized.

93 The organization is committed to ensuring equality of opportunity in the development of its People.

94 "Said secondary and tertiary motivators are no more valid and workable without unless the primary needs are  
95 fulfilled", in Pakistan".

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## 96 8 Methodology

97 Research work involves in-depth study of employee commitment -IIP Model, to fully understand the theoretical  
98 framework, previous research work done to evaluate the merit and critics of the model and its success and failure  
99 in the native country and at global level. The study further involves in-depth investigation into the Employee  
100 Commitment influencing indicators workable/prevalent in the group of organizations operating in Pakistan.

101 In view of the practical nature of the study involving people interaction, study of live work examples the most  
102 appropriate method of the research chosen, to answer the research questions and testing of the hypothesis, the  
103 case study method as described by Yin. (1993) was used. The case study method has been demonstrated as  
104 appropriate in testing the western Employee Commitment -IIP Model because researchers must enter into the  
105 domain of the firm and study it in depth in order to understand the complexities of the situation ??Taylor &  
106 Olsen, 2006).

107 The use of face-to-face interviews has been proved effective in studying the Model, interviewing allows  
108 researchers to probe and use questions to get a valid response. Other researchers (mostly unpublished  
109 dissertations) have used the case study method in investigating the HR best practices.

110 Yen in (1993) suggested the use of multiple cases be viewed as multiple experiments and not multiple  
111 respondents to a survey. The consensus for numbers of cases falls between two and four as the minimum and ten  
112 and fifteen as the maximum ??Perry, 1998).

113 Besides said case study method the exploratory/explanatory/descriptive/applied research techniques were used  
114 in the case study of sample A organizations. Like many other research studies it is also a combination of various  
115 type of researches, in the beginning it starts as an exploratory and then transforms into descriptive also having  
116 some characteristics of explanatory research. The utility and the application make it an applied research as well.

117 Data Collection tools used in this method were following structured questionnaire made for getting the  
118 standardized information by survey method i. e. the questionnaire were sent to the 25 companies for their  
119 responses and 15 responded. The other questionnaires were developed to conduct face to face interviews. The  
120 third technique used was observation and experiencing the actual work examples.

## 121 9 III.

## 122 10 Data Processing and Analysis

123 The data collected in the form of various questionnaires was transferred on various templates prepared on excel  
124 for tabulation purposes and to calculate and workout the findings as per defined framework. Besides excel other  
125 graphic programs were used to present the form in simple and understandable form.

## 126 11 a) Previous Work

127 Lyndsay Swinton in her article "How to Increase Your Work and Life Satisfaction: Put Abraham Maslow Theory  
128 into Practice" described a relationship between Maslow's hierarchy of needs with Herbergz theory. Maslow's  
129 theory state a persons needs hierarchy with basic needs at base followed by security needs, social needs, esteem  
130 needs and self actualization needs. She is of the opinion that up to esteem needs level employee motivation or  
131 satisfaction can be maintained by factors which Herbergz called hygiene factors. This includes salary, benefits,  
132 job security, company policy etc while to deal with people at self actualization level factors known as motivators  
133 would be needed. This includes employee achievement, employee recognition, and employee growth. By keeping  
134 in mind this relationship among two basic theories of management organization may find it easy to establish  
135 that unless the baseline needs are fulfilled the other needs will no more work and have any impact on employee  
136 commitment.

137 Thomas E. Catanzaro (2001) in his article Compensation & Motivation described the effects of compensation  
138 over employee motivation. He stated that compensation has a profound effect over employee motivation. He also  
139 discussed several factors of compensation which include both intrinsic and extrinsic factors and their possible  
140 effects over motivation in detail. In Hong Kong, base salary, merit pay, year-end bonus, annual leave, mortgage  
141 loan, and profit sharing were the most important factors to retain and motivate employees. In China, base salary,  
142 merit pay, year-end bonus, housing provision, cash allowance, overtime allowance, and individual bonus were the  
143 most important factors to retain and motivate employees. (Chiu, 2002; Luk, 2002; Tang, 2002) Reward and  
144 recognition programs can positively affect motivation, performance and interest within an organization. While a  
145 little more problematic, team-based incentives, if designed appropriately, can also encourage and support a range  
146 of positive outcomes.

147 (Milne, 2007) Promotion and wages positively influence employees' work motivation. A comparison of the  
148 relative strengths of the effects reveals that fair promotion was a more powerful motivator than wage level and  
149 wage increase. (Takahashi, 2006) Explores past and present attitudes of employees concerning work-related  
150 motivational factors. Understanding the factors that employees consider motivating lends insight to the rewards  
151 to which they more positively respond. It compares the results of four motivation surveys conducted in ??946,  
152 1980, 1986 and 1992. The comparisons revealed that employees' motivational preferences vary over time. In  
153 addition, the results of the 1992 survey indicate that the factors that motivate today's workers are more extrinsic

154 than they used to be. Although employees differ on how they rank these factors, they overwhelmingly selected  
155 "good wages" as the top motivator. A good wage is an extrinsic reward with intrinsic potency.

156 On the surface "good wages" seem to be purely extrinsic. Yet, at a deeper level, monetary rewards communicate  
157 what the company values and affect employees' emotional and familial wellbeing. (Wiley, 1997).

158 Hillage and Moralee (1996) suggested early within the lifespan of IIP that the standard can lead to benefits  
159 of increased employee commitment, increased productivity, and a better quality of service. The factors that  
160 can increase the employee commitment as per IIP philosophy are the contribution recognition, supporting the  
161 people development, encouraging the employee performance improvement and providing equal opportunities for  
162 development. The IIP model describes the secondary motivators ignoring the primary motivators presuming  
163 that these are all already fulfilled that is one of the most critical shortcoming of the IIP model that make this  
164 model non workable in developing countries Ahmed Jamal Tahir in his research work done on national Bank of  
165 Pakistan has concluded that Compensation management has a direct relationship with employee motivation and  
166 performance. Extrinsic benefit plans plays a delight role in perception of an employee towards its organization  
167 and its work. And these factors play the role of satisfiers. Instruments of intrinsic factors have a profound impact  
168 upon an employee's loyalty and an organization's turn over. Intrinsic factors play the role of motivators. They  
169 feel important and consider their performance as organization performance and image of organization's as their  
170 own image. The said previous research work, Maslow's Need Hierarchy theory and the factors that Herbergz  
171 called hygiene factors have validated the hypothesis that the secondary and tertiary motivators will not work  
172 unless primary needs are fulfilled that incase of Pakistan is fair and equitable compensation and benefits, decent  
173 work environment and people development in order of hierarchy, that provide the employees basic support to  
174 make them survive and feed their family.

175 IV. Pakistan is a country of 187 million populations representing the population growth rate of 2.03%. The  
176 labor force constitutes 57 million and 3.4 million people are without jobs. The unemployment rate is increasing  
177 in the country and in 2011-12 the unemployment has increased to 8.8%. The employment in formal sector  
178 constitutes 26%. The state bank of Pakistan has reported high inflationary trend that is constantly pushing the  
179 people below the poverty line. The minimum wage per month is not more than 90 US\$.

## 180 12 ii. Un-Met Primary Needs

181 Poverty and high rate of un-employment has zeroed the bargaining power of the employees and the wages paid  
182 to the employees are not sufficient to cater their primary needs and people live on or below the poverty line.  
183 The social welfare and state services for education, housing, medical etc are not sufficient and do not meet the  
184 minimum acceptable standards and people have to spent on these essential services from their wages that further  
185 worsen the situation and push a wide range of people below the poverty line.

186 iii. Widening gap between the rich and poor An inappropriate and inequitable taxation system, weak state  
187 controls on prices etc, and dominance of the feudal and capitalist class, the rich is becoming richer and poor  
188 become poorer specially the employees (salaried class) working with various organization who have limited  
189 resources. Highest rate of tax collection is by the salaried class and the political/feudal elites and associates  
190 are exempted.

## 191 13 iv. Merit of the Social system

192 The above mentioned economic indicators support the hypothesis that the secondary and tertiary motivators will  
193 not work in Pakistan unless primary needs of the employees are fulfilled. The employee commitment is derived  
194 by the satisfaction of the inner self of the person, the fulfillment of primary needs of the employees is the starting  
195 point towards satisfaction of the inner self leading towards employee commitment; unless basic needs are met, the  
196 employees will not value and respond to secondary and tertiary motivators. The research study results conducted  
197 to test the validity of the said hypothesis reveals that the overall including multinationals, local and public sector  
198 companies is at 54% that is significantly low. However the multinational companies are at 64% as compared to  
199 local private organizations that stand at only 33%. A comparative analysis of the multinational companies and  
200 local private sector organizations shows that the multinationals are relatively far better in their compensation  
201 management practices as compared with local private organizations. MNCs have relatively better employee  
202 salaries and benefits structure that includes, provident fund, gratuity, annual performance bonus, medical, leave  
203 encashment and transport etc. To maintain the internal and external equity in the salary and compensation  
204 practices and scale, the salary surveys are regularly conducted and the group of benchmark companies is selected  
205 based on the similar category and the industry. The uniform and structured system of annual increments, upgrade  
206 and promotion is followed and employees are rewarded based on performance.

## 207 14 Pakistan-Economic

### 208 15 b. Local Private

209 The compensation management practices and scale of payment is below the standards and stands at 33% against  
210 64% in multinationals. The most of the private organization compensation and benefit structure is close to the  
211 essential mandatory requirement only such as by law the organizations can have either provident fund or gratuity,

212 private organizations stick to one only while in MNCs both gratuity and provident fund are being maintained.  
213 Salaries are normally set as per demand and supply forces and organizational priorities; no structured approach  
214 in setting the compensation and benefit system is followed. Neither salary matrixes are made, nor salary limits  
215 are defined, internal and external equity in salary and compensations is not given due importance the salary  
216 survey of benchmark companies are not carried out to rationalize the salary structure. The salaries are increased  
217 where there is retention issues while for other categories where surplus manpower is available the salaries and  
218 compensation are kept at bear minimum. The increments, upgrade and promotions are not generalized and  
219 followed as mandatory annual practice rather people who are needed are rewarded with better increments while  
220 others are ignored. There is no appropriate grading system and employee benefit plan that includes company  
221 medical coverage, retirement benefits, annual bonuses etc. These results validate our above mentioned findings  
222 that most of the people are not adequately compensated for their services and are compelled to accept the wage  
223 structure that is significantly low, and their primary needs are not fulfilled. The respondents feedback recorded  
224 in the below table "C" depicts that; at staff level the respondents in the multinational and private have rated  
225 the compensation and benefit as their top priority. Another interesting findings shows that the intensity level  
226 of favorable responses for compensation has shown an incremental trend moving from multination to private  
227 that shows that in multinational organizations the primary needs of the employees are relatively met (better  
228 compensation) so the employees give more importance to the people development and the working conditions as  
229 compared to the private and government organizations. The same trend is noticed at the middle management  
230 level and all middle management employees has rated the compensation as their preference in all three categories  
231 of organization however the intensity of preference was relatively less. At senior management level also the same  
232 trend was noticed that confirms the hypothesis that in Pakistan the c) Variables impacting employee commitment  
233 To verify the finding during the study process a sample of 50, 25 and 10 respondent from staff, middle management  
234 and senior management respectively in each multinational, private and government group of organizations and  
235 the close ended question was asked that "what are their preferences in the job in order of priority on the following  
236 variables impacting on Employee Commitment.

237 i A also value the decent working condition as their 2 nd preferred preference. In multinational the responses  
238 are lesser as compared to private sector organizations because the respondent working in the multinational  
239 organizations already enjoy and are used to the good working conditions so the working conditions no more  
240 remain as the preferred preference however in privates sector the employee value too much to the decent and  
241 professional working conditions because the private sector organization are not compliant with the professional  
242 standards at work place and employee are frustrated on this when they compare these kind of organizations with  
243 the multinationals.

244 The third preference noticed in order of priority was people development at staff level and also at middle and  
245 senior level was the people development. The people working in multinationals and also in private organizations  
246 were keen towards people development as their preferred choice. As compared to staff the middle and senior level  
247 employees were keener towards their development needs and rated this as their 2nd preference.

248 The other indicators as mentioned in the IIP model could not get any significant importance by the respondents  
249 and have proved that these indicators are no more applicable in our society as independent motivating factors  
250 however these could work as accelerating agent if the other basic motivators like compensation and decent working  
251 environment is present.

252 The results can also be validated with the fact that the western model is successfully adopted in the western and  
253 economically strong and developed countries. In Pakistan and other SARC countries including India, Bangladesh,  
254 and other countries this model has no presence.

## 255 16 Co-Relations

256 Compensation & Benefits and Employee Commitment.

257 There is a co-relation in "Compensation & Benefits" and "Employee Commitment". Private local organizations  
258 have relatively low level of employee commitment and multinational organizations have the high employee  
259 commitment because their compensation and benefits are higher than local private organizations. This co-  
260 relation is also tested during the study by asking specific questions from the employees at various levels both in  
261 multinational and local organizations. A structure as the primary cause, professional working environment and  
262 equal opportunities for growth/contribution recognitions/encourage performance improvement, support people  
263 development etc. respectively at 2 nd and 3 rd preference.

264 At management level on relatively senior positions 80% of the respondent followed the same pattern of  
265 preferences that is, good compensation & benefit structure, professional work environment and career growth  
266 opportunities and other motivators.

267 The specific question was asked at staff level that why they prefer joining (if opportunities are) multinational  
268 organizations employees preferences compensation and benefit structure, good working conditions and equal  
269 opportunities etc. on the same pattern.

270 The similar question was responded by the employees at management level, 50% of the employees rated the  
271 career growth and development as their first preference to join the multinational organization, good compensation  
272 and benefit second preference and good working conditions as third preference.

273 The employee satisfaction will improve with betterment of the compensation and benefit to absorb and adjust

## 17 CONCLUSION

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274 increase in their cost of living. The employees who are reasonably paid to cover their cost of living cost as per  
275 their respective organizational level and social group category they are satisfied and can focus of their jobs. The  
276 employees where their cost of living cost is not reasonably met and they remain engaged with their financial  
277 and consequent social issues, they were found booked down with their financial problems and find ways and  
278 mean to resolve these issues and their focus on the job is greatly compromised. The employees who are not  
279 sufficiently paid by the employers normally found double jobs and/or engaged in some other business activity to  
280 compensate a) Compensation and benefits and productivity -In Multinational organizations the compensation  
281 and benefits are better leading to better quality of Human Resources, more satisfied workforce, higher qualitative  
282 and quantitative output.

283 -In Local private organizations compensation and benefits are relatively lower, leading to low quality of human  
284 resources, low job satisfaction and low qualitative and quantitative output.

285 In Multinational organizations there are moderate job pressure (consistent and system driven), moderate  
286 performance expectations leading to moderate job security and low turnover.

287 In Local private organizations there is higher job pressure for results (due week systems), high performance  
288 expectations leading to low job security and high turnover.

289 Please refer the below that depicts that in Multinational organizations the employees compensation and  
290 benefits are relatively higher and the annual increments are regularly done to compensate the adjustment of  
291 inflation in the country so that the employees purchasing powers is not compromised due high inflation. The  
292 employees get their profit share in the form of bonuses to fulfill their other financial needs and to give them the  
293 sense of participation in the fortune of the company with the view to motivate them for the future performance.  
294 The employee's satisfaction level with their job is high and they value their job and the organization and focus  
295 on their work as a result their output is relatively higher both in quantitative and qualitative term over other  
296 organization. Their job pressure is moderate as they work in the culture where work efficiency is part of the  
297 culture and the processes are systematic and well defined with best technological support. They want to join  
298 the job for the entire work life and are not inclined to change the job accordingly their commitment, loyalty and  
299 association with the organization is higher.

300 The comparative analysis of the Multinational organizations with private sector local organizations depicts  
301 that the local private organization's salaries are relatively lower than multinational companies their other benefits  
302 are also lower. The annual increments are not regularly paid to the employees to adequately compensate the  
303 employees as a result each year their purchasing power is reduced and their stress level to manage the family is  
304 increased. The private sector companies are not very regular in sharing their profits with the employees and in  
305 the industry the annual performance bonuses are not sufficiently and regularly paid that further aggravate their  
306 hardships. The face to face interviews with the employees about their job In depth comparative studies and  
307 analysis in the Multinationals, Private and Government organizations reveals very interesting finding confirming  
308 the said hypothesis that the Fair and equitable compensation structure is primary motivator that increases the  
309 performance of the employee and the organization. their financial needs. It is also evident that people who are  
310 financially not satisfied are not happy and engaged into their ME ISSUES, and bring the stress form home that  
311 constantly effect their happiness and motivation.

312 These results also validate our hypothesis that the primary motivator to enhance employee commitment is the  
313 fair and equitable compensation and benefit structure at all levels however at staff and lower middle level that  
314 constitute 80% of the organizational population they keep it at the top while the staff at middle and top level rate  
315 it as second preference and keep their 1st preference growth and development because their primary needs are  
316 relatively fulfilled. commitment and job satisfaction reveals poor results and the satisfaction level of the private  
317 sector commitment and job satisfaction reveals poor results and the satisfaction level of the private sector  
318 employees is very low as compared to multinational organization. The lower job satisfaction is also reflected on  
319 their output and productivity and quality of output. The employees has shown their displeasure on the scenario  
320 where they are relatively paid less and the management expects more results and they have high job pressure for  
321 want of more and more productivity. The employees turnover in the private sector local organization is relatively  
322 higher and the talent drain towards the multinational organizations is higher. The fast turnover of the trained  
323 people affects the productivity and growth of the organization in long run.

324 The organization that pays to their employees well with good benefits they attract and retain the best talent  
325 and their staff commitment level is too high leading to higher productivity and quality of output. The organization  
326 who are not paying well those organizations like private and government sector organizations lose their best talent  
327 and accordingly their level of productivity and effectiveness of the people in their jobs is relatively less. The people  
328 with low motivation and commitment prefer government organizations due job security however the energetic  
329 and dynamic people avoid government organizations due low salaries and non productive organization.

## 330 17 Conclusion

331 a) The Employee Commitment Investors In People Model was developed in the west in peculiar socio economic  
332 conditions of UK/ European Union and other developed nations. Developing countries like Pakistan has different  
333 socioeconomic indicators and people are engaged with critical issues such as Un-employment & poverty, Unmet  
334 Primary needs, Wide gap between the rich and poor with entirely different social system. As described by  
335 Maslow's theory a person needs hierarchy with basic needs at base followed by secondary needs. Basic needs

336 include salary, benefits, job security etc. The employee commitment IIP model completely ignores the basic needs  
337 and describes the secondary and tertiary needs (motivators) as the bases for firing up employee commitment that  
338 is not workable in developing countries like Pakistan.

339 Overall the compensation and benefits practices in Pakistan are below the standards. However the  
340 multinationals are relatively better in their salaries and benefits as compared with local private organizations.  
341 Multinationals maintain the internal and external equity in the salary and compensation practices and the salary  
342 surveys are regularly conducted. The local private organizations are neither have professionally organized HR  
343 function nor their compensation and benefit practices meet the minimum standards. As a result the employees'  
344 level of job satisfaction is very low leading to high turnover, low commitment and low productivity. The staff  
345 feedback survey conducted to explore the staff preferences on four important points i. e. compensation and  
346 benefits, decent work environment, development of people, and IIP-employee commitment indicators (encourage  
347 performance improvement, contribution recognition, equal opportunities, and support people development results  
348 shows that the staff have the 1 st preference for fair and equitable compensation and benefits, 2 nd preference  
349 for decent work environment, 3 rd people development and 4 th for IIP indicators that validates the hypothesis  
350 that primary and secondary motivators will only work when the financial needs(basic needs) of the employees  
351 are fulfilled.

352 The following co-relations have been explored, tested and verified during the study:

353 ? In Multinational organizations the compensation and benefits are better leading to better quality of Human  
354 Resources, more satisfied workforce, higher qualitative and quantitative output. Private local organizations have  
355 relatively low level of employee commitment and multinational organizations have the high employee commitment  
356 because their compensation and benefits are higher than local private organizations. This co-relation is also tested  
357 during the study by asking specific questions from the employees at various levels both in multinational and local  
358 organizations.

359 The literature review and hypothesis that the secondary and tertiary motivators-IIP Model will not work  
360 unless the primary needs i.e fair and equitable compensation and benefits are fulfilled. This hypothesis has also  
361 being validated and endorsed by the Abraham Maslow's Need hierarchy theory and Husberg Hygiene factors  
362 that shows need fulfillment moves from primary to secondary and tertiary. The IIP model emerged and has been  
363 successful in UK/European countries because their basic needs of the employees are fulfilled and taken care of  
364 by the state. In Pakistan most of the people are living below the poverty line and their financial needs are not  
365 fulfilled so the IIP-Model on employee commitment becomes invalid. However in multinational organizations  
366 where the employees are paid relatively better salaries these indicators may be partly valid but at relatively  
367 senior staff level.

## 368 18 VII.

## 369 19 Recommendations

370 ? The fair and equitable compensation and benefits for the employees is essential and need to be rationalized in  
371 local private organizations to enhance employee commitment leading to enhanced organizational performance.  
372 The employees' salaries should gradually be raised to the level where their basic needs are fulfilled and they can  
373 sustain. Their benefits structure should provide them sense of security in case of illness, personal contingencies  
374 etc and also there should be an appropriate retirement benefits in place to acknowledge their contribution for  
375 the organization and to support them in their post retirement adjustment. ? The expenses to rationalize the  
376 employees' compensation and benefit structure should not be taken as an expense rather an investment. Hiring  
377 and retaining an employee at a compensation level which cannot fulfill their primary basic needs to sustain, is  
378 not recommended and if in place need to be rectified. Hiring the employees at the compensation scale that is  
379 not sufficient to meet their basic needs is hiring and retaining the frustration and grievances, rather than a job  
380 focused and output driven head so not recommended.

381 ? The organizational compensation structure should be productivity and quality driven, the employees'  
382 delivering better quality and high productivity should be adequately compensated to sustain their commitment  
383 to quality and productivity. A fair, transparent, reasonable and significant incentive plan should be in place to  
384 pass on the benefit of the enhanced productivity to the real producer. It is guaranteed that whatever incentive  
385 is paid to the employee as productivity incentive the organizational gain is increased many fold.

386 ? The organizational administrative and monitoring systems can control the hands but not the heads. The  
387 quality and productivity beyond certain point comes from the heads (technical insight, involvement, innovation,  
388 job focus and commitment). The good compensation and incentive scheme can fulfill the primary needs of the  
389 employees and they will be more focused and committed to their job and engaged into thinking process to improve  
390 their quality and output.

391 ? The decent work environment is essential to create an environment where the employees can mobilize their  
392 all mental and physical faculties to continuously improve the quality and output. The physical comfort and  
393 favorable congenial work environment keep people away from the non issues and, focused, involved and engaged  
394 with the job using their head (insight & innovation) to improve as a process. The work areas should be nice, clean,  
395 ventilated and professionally managed with all amenities and support services to make it live. The conscious

## 19 RECOMMENDATIONS

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396 efforts to be made to create a family culture at work place, keep employees emotionally connected and involved  
397 with their colleagues/work group, eventually with the organization.

398 ? The third employee preference after compensation and decent work environment is people development.  
399 Organization should inculcate the culture of learning and development to keep employees engaged with using  
400 their head, insight and innovation skills. The support mechanism and exposure of the employees to new work  
401 methods, techniques, innovative ideas, mentoring and other work place activates be provided to improve their  
402 technical/management competencies, to excel in the current role and opt for the higher ranks as a process. The  
403 expenses on employee development are a best investment that is paid with many fold profits in term of employee  
404 enhanced productivity, quality of output. The continuous employee development increases the competencies of  
the employees in particular and the organization in <sup>1</sup>



Figure 1:

No

Figure 2: Table No .

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406 A general and it keep on improving with the passage of time as a result, these competencies becomes biggest  
407 competitive advantage and help organization continuously grow and sustain.

408 ? Pakistan has inherent problems of Un-employment & poverty, Un-met Primary needs, Wide gap between the  
409 rich, and poor with entirely different social system. The employers exploit the availability of surplus manpower  
410 and high unemployment rate by offering them least at which even the employees can not fulfill their basic needs.  
411 This is not in the interest of the organization and by saving little money they are compromising the employee  
412 commitment that could do miracles for them and increase their productivity many folds. The employers should not  
413 hire a particular employee below the standard package however make no compromise on quality. The employees  
414 should be paid above the market to attract the best talent and give decent and congenial work environment to  
415 excel. Maintain the family culture of learning and continuous development, give employees the ownership, and  
416 make systems institutionalize the changes.

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