

**Impact of Salary on Employees' Motivation of the Textile Industry: A Comparative
Study of the Leading Textile Companies in Pakistan**

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Abstract

To increase organization's performance, there is motivated workforce required. Compensation plans, mainly pay system work as a motivator for employees to put their effort to perform well in the organization. To find the relationship between salary and employees motivation in textile industry of Pakistan, this study was conducted. Secondary and primary data were collected through questionnaire and structured questionnaire distributed to 40 employees and to 2 top managers respectively. And data analyzed through statistical calculation which showed that employees in textile industry are motivated mainly due to basic salary factors. In short, independent variable basic salary has a positive effect on dependent variable motivation. Further, employees motivation is highly increased the organization profitability proved by secondary data. It is recommended that organization should focus on long term motivational practices as following; given an appropriate bonus for workers who work beyond the production target, and gives an appropriate social benefit to help workers' health, give an annual bonus. The study has also revealed that motivation level increases with adequate salary raise. It is therefore recommended that Textile sector of Pakistan should consider as a matter of urgency, the need to make upward adjustment in wages and salaries which will go a long way to enhance performance of employees.

Keywords: *Pay System (Salary), Employees Motivation, Organization Performance, Textile Industry.*

Introduction

As the textile industry has major contribution in country's economy, global crises due to any reason as recently outbreak COVID Pandemic in 2020. To restrict this countries started vaccination programs. Textile business effected by this pandemic due to lockdown companies were restricted to import or export the textile or any other kind of products.

On other hand, in 2022, Russian-Ukraine conflicts increased the costs and fouled inflation, as textile companies mainly depend on fuels and machineries, and increase in their cost, put the textile industries in crises.

Pakistan economy after pandemic, has started to sustain their economy through balance their financials and microeconomics of each sectors. According to Pakistan economic survey (2021-2022), "The agriculture sector posted growth of 4.4 percent mainly due to 6.6 percent growth in Crops and 3.3 percent growth in Livestock. The growth in crops was recorded on account of 7.2 percent growth in Important Crops, 5.4 percent growth in Other Crops, **and 9.19 percent growth in Cotton Ginning**. At the sub-sector level, cotton ginning depicted a significant growth of 9.19 percent against last year's growth -13.08 percent. The growth in production of important crops namely cotton, 17.9 percent. The cotton crop increased from 7.1 million bales reported last year to 8.3 million bales during 2021-22." Cotton produced largely in Pakistan. Export of cotton and cotton products have a 60% in country's overall export, 0.6% in GDP, and 2.4% in agriculture. Industrial sector recorded a growth of 7.2 percent in FY2022 compared to 7.8 percent growth in FY2021. Textile and Wearing Apparel contributed 3.2% and 34.0% respectively. At present, as per record of Textiles Commissioner's Organization (TCO), it comprises of 517 textile units (40 composite units and 477 spinning units) with 13.414 million spindles and 198,801 rotors installed and 11.338 million spindles and 126,583 rotors in operation with capacity utilization of 84.55 percent and 63.67 percent, respectively.

CURRENT SCENARIO OF PAKISTAN TETILE INDUSTRY

The textile industry is the largest manufacturing industry in Pakistan and the 8th largest exporter of textiles in Asia, contributing 8.5% to the GDP of Pakistan. In addition, the sector employs about 45% of the total labor force in the country (and 38% of the manufacturing workers).

Pakistan is the 4th largest cotton producer with the third largest spinning capacity in Asia after China and India and contributes 5% to the global spinning capacity. There are 1,221 ginning

units, 442 spinning units, 124 large spinning units, and 425 small units that produce textiles.

(Pakistan textile journal- February, 2022 pg. 7)

Pakistan is the world's 4th largest producer and 3rd largest consumer of cotton. The Textile and Clothing Industry has been the main driver of the economy for the last 50 years in terms of foreign currency earnings and jobs creation. The Textile and Clothing Industry will continue to be an important engine for future growth of the economy; there is no alternative industry or service sector that has the potential to benefit the economy with foreign currency earnings and new job creation, especially if synergy is developed amongst different sub sectors and efforts are made to aggressively grow the Readymade Clothing Sector.

TRADE PERFORMANCE OF PAKISTAN 2021-2022

According to *Textile Commissioner's Organization*, "Textile group witnessed a growth of 25.4 percent during Jul-Mar FY2022 and reached US\$ 14.2 billion compared to US\$ 11.3 billion during the corresponding period last year. Pakistan received higher foreign orders for finished goods, which consequently increased demand of textile intermediaries', i.e. cotton fabric and yarn and led to enhancing capacity development as well as the value chain. Increased international prices of cotton helped in increased export unit values of Pakistan's major textile products. Some competitor countries like Bangladesh have witnessed the same surge in exports unit values. The import bill of textile machinery registered an increase of 64.7 percent (US\$ 621.7 million) during Jul-Mar FY2022 against (US\$ 377.5 million) last year. The textile sector availed Rs 94.6 billion loans under TERF and LTFF during Jul-Mar FY 2022 as against Rs 68.8 billion, which may have augmented the demand for textile machinery. In the textile group, import of raw cotton witnessed an increase in value by 16.8 percent and its quantity declined by 14.6 percent during Jul-Mar FY2022 as compared to the same period last year on account of higher international prices."

RESEARCH METHODOLOGY

INTRODUCTION

In this chapter, I discussed management problems, with another authors' support on the problems. Based on review, developed hypothesis, and further elaborate the issues. Also mention the sampling methods and techniques that will use in this study.

PROBLEM STATEMENT

To compete in this competitive global market, organizations required to maintain and strong HR practices. As the employees are backbone of every organization, just investment in equipment and production will not increase organization's profitability, investment in HR practice like basic salary to motivate employee toward work is also necessary to make more productivity which ultimately increase overall performance of employees as well as of organization. As Pakistan current situation, organization would help their employees through monetary incentives in exchange of their time and efforts that they put for that organization.

Every individual employee plays an important roll in organization, to retain them is critical due to scarcity in South East Asia and mainly in Pakistan. Specifically many researchers showed the relationship between pay system and employee motivation as one of them is described below; Shahzad, I., & Bhatti, K. 2008, emphasized on Antecedents of compensation and relationship among compensation, motivation, and organizational profitability. The purpose of this study was to identify how compensation plans and employees' motivation are related to each other and how both impact on organizational profitability. Questionnaire were used by authors to collect data from 76 employees working in 10 major textile contributors in Faisalabad. Multiple Regression Analysis performed on average scores of compensation factors taken as independent variables while average score of motivation questions are taken as independent variable. Correlation was calculated between the average scores of employee motivation and net profits before tax of their organizations. Multiple Regression Analysis (MRA) was used to measure the strength of relationship between defined compensation factors and motivation level of employees. All analysis made through SPSS. Authors found, "basic pay plays a vital role in motivating employees. Employees allocate more handsome weightage to social pay as compared to the variable and indirect pay. Indirect pay has least impact on employees' motivation. In short, when basic pay increases, social pay also increases in same Basic Pay Variable Pay Indirect Pay Social Pay Organizational Profitability Employee Motivation. Organizations having proper and updated compensation plans as per industry trends are more profitable as compared to rest of the organizations, which do not update pay plans according to the current trends.

Based on above problem statement and literature review, I develop hypothesis statement to support this study and to provide recommendation.

SAMPLING METHODS AND TECHNIQUES

HYPOTHESIS STATEMENT

H1: Motivation of employees working in textile companies has been enhancing mainly due to basic salary for the past ten years.

EMPLOYEES' BASIC salary is both the primary and secondary data source for the EMPLOYEES' MOTIVATION instrument questionnaire and interviews (for primary data), and annual reports (for secondary data). To collect the primary data, the employees and top management working in different departments (HR, Finance, Marketing, etc.) of leading textile industries named Gul Ahmed Textile Mills Limited and Artistic Denim Mills Limited targeted, where the total population of both selected sources is 18498 (as mentioned annual report 2022). Convenience sampling and stratified technique were used for this study. In order to get sample from this population, I used stratified and convenience sampling method. I selected the 20 employees from various departments and 2 top managers in HR Department of each organization to distribute questionnaire and conduct interview respectively. For that I developed the questionnaire consisted 10 items, and same number of items was asked by HR manager; and to collect secondary data, income statements from company's annual report (2013—2022) were used for this study. As shown in tables:

2.1(a)(b).

Table 2.1a: Sampling Methods And Techniques.

PRIMARY SOURCES	POPULATION	SAMPLE METHOD	SAMPLE SIZE	RESEARCH INSTRUMENT
COMPANY EMPLOYEES (2 COMPANIES)	18498 2 COMPANIES	CONVENIENCE SAMPLING METHOD	40 EMPLOYEES	QUESTIONNAIRE
COMPANY (HR MANAGERS)	25 TOP MANAGERS	STRATIFIED SAMPLING METHOD	2 TOP MANAGERS	INTERVIEW

Table 2.1b: Sampling Methods And Techniques.

SECONDARY SOURCES	REFERENCE	YEARS
COMPANY ANNUAL REPORT(2 COMPANIES)	INCOME STATEMENT	2013-2022

VARIABLES

This chapter operationalized both the dependent variable and independent variable, also reviews of different authors on variables.

INDEPENDENT VARIABLE **COMPENSATION PLANS**

As Cascio F. Wayne said, “Compensation can be identified as anything that an employer can and willing to offer to its employees in exchange of their efforts and skills, which can further be financial (direct payments in shape of salaries and indirect payments in shape of benefits) and non-financial (protection programs, employee involvement in decision making, effective supervision, recognition, training opportunities, supportive, nurturing company culture).”

Shahzad, I., & Bhatti, they stated that, “The most important element of compensation that can never be overlooked is basic pay, mostly paid in the form of money. It determines the basic pay structure of a compensation package. In private sector, basic pay is normally decided after reviewing previous experience of individuals keeping in view organizational limitation but without practical demonstration of skills and competencies of individuals.”

DEPENDENT VARIABLE **EMPLOYEES MOTIVATION**

Employee motivation is considered as a force that drives the employees toward attaining specific goals and objectives of the organization. It has the role to develop and intensify the desire of every member of the organization to work effectively and efficiently in his position.

As Glaser R, Defined motivation as “desire or need that incites a person to an action directed toward fulfilling it.”

Whereas Hasibuan (2007) defined Motivation as “it is only aimed at Human Resources in general and in particular subordinates. Motivation questions how to direct the power and potential for subordinates to productively succeed in achieving and realizing the goals that have been determined. Motivation questions how to encourage the enthusiasm for subordinates to work so they want to work hard and give all their abilities and skills to realize organizational goals. The organization not only expects employees who are "capable, capable and skilled", but

the most important thing is that they want to work hard and are willing to achieve optimal work results. The ability, skills, and skills of employees have no meaning for the organization if they do not want to work hard by using the abilities, skills, and skills they have.”

COMPARISON

(Herpen Van, Marco, et al, 2003.) Stated that “A strong relationship is identified between compensation and motivation on the one hand; which further defines the company success on another hand. Monetary rewards are not enough to compel people to perform at their full potential; there are other elements like promotion opportunities, work satisfaction and turnover intent etc.”

Further (Lawler, 1990; Armstrong Michael & Murlis Helen,2004) said that “Compensation impacts directly over motivation of contributors to work more enthusiastically as it is entirely possible to design a reward system that motivates people to work and satisfies them while at the same time contributing to organizational effectiveness. “

Whereas other researchers have found a relationship between motivation and organizational performance in many studies; they found (Sheena Ilyanger)properly triggered motivation of mangers plays significant practical role in overall success of companies individual and departmental performance of employees further helps organization to achieve its targets as People perform well when they are able to do so (they can do the job because they possess the necessary knowledge and skills); they have the motivation to do so (they will do the job because they are adequately incentivized).

FINDINGS

This chapter compile the information on data collected from the respondents on the impact of salary on employee’s work motivation in Textile sector of Pakistan. The chapter also contains qualitative and quantitative data analysis and findings. The quantitative analysis involves the use of a variety of statistical procedures including basic descriptive statistics (e.g. Tables and percentages). The survey was conducted on a total 40 employees. Ms Excel was employed for analyzing the data. The findings were presented at the end of chapter.

SECONDARY DATA

From company annual report, I extracted data for my variables. I considered profitability as a measurement of employees' motivation, because motivated employees always perform well and ultimately it enhance employees' and company's overall performance as well as the profitability. Work motivation that is dependent variable is highly dependent on compensation plan mainly on salary and wages that is independent variable. In table and graph, I mentioned company's profitability and salary expenses; and profit growth rate and expense growth rate respectively, to find relationship between salary and work motivation as well as company's profitability.

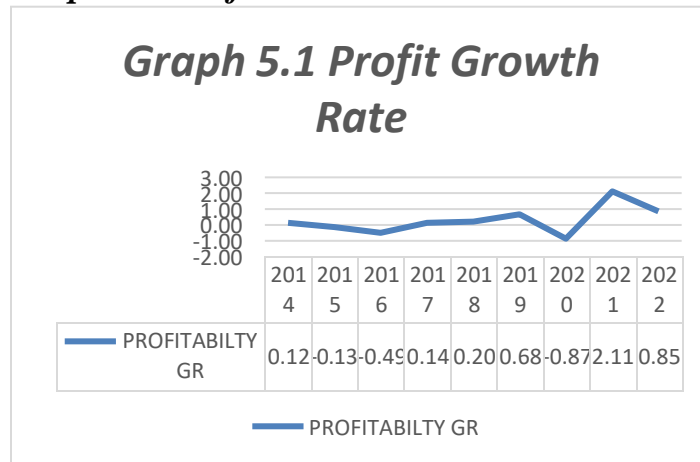
ARTISTICS DENIM MILLS LIMITED

Table 5.1 Profitability and Salary Expenses from 2013 to 2022 *in '000'*

Company	Artistic Denim Mills Limited									
Years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Profitability	758031	852497	743546	377999	429437	516531	866820	113690	353902	654252
Employees Salary	154,621	172,356	1,460,550	1,664,942	1,565,601	2,056,363	1,954,604	2,318,174	2,714,450	3,600,109

Source: Annual Reports

Graph 5.1 Profit Growth Rate



From the graph 5.1 it can observed that the Profit growth rate during year 2013-2014 was increased to 0.12, but rate during year 2014-2015 and 2015-2016 was decreased to 0.13 and 0.49 respectively. After that it observed that there was continuous improvement in company's profit growth rate during year 2016 to 2022.

The profit growth rate income during year 2020-2021 considered an ideal. Therefore, from the above analysis, we can conclude that the company was profitable except for 2019-2020

Graph 5.2 Profit Growth Rate

Table 5.2 Profitability and Salary Expenses from 2013 to 2022

in ‘000’

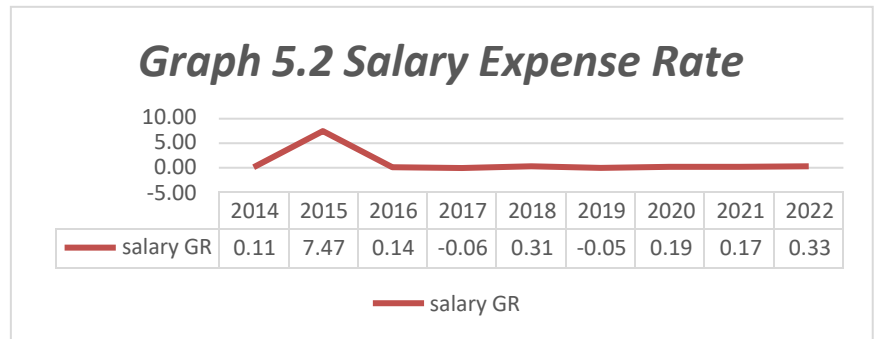
Company	Gul Ahmed Textile Mills Limited									
Years	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Profitability	711,063	1,234,797	604,943	1,141,430	818,422	2,074,973	3,609,220	-479,365	4,424,540	8,861,647
Employees Salary	3,532,247	4,864,454	5,757,968	6,569,164	7,764,524	7,644,291	9,099,718	9,190,315	11,212,769	13,535,731

Source: Annual Reports

Company highly increased its salary expenses from 2013 to 2022 gradually to enhance their profitability. During the year 2014-2015 company increased its employees’ salary from 0.11 to 7.47. But, during period 2016- 2017 and 2018-2019 company reduced its expenses by 0.06 and 0.05 respectively. After that

company continuously increased its expenses for employee’s salary.

Company continually enhance its employees’ salary or distribute its profit among employees in form of compensation.

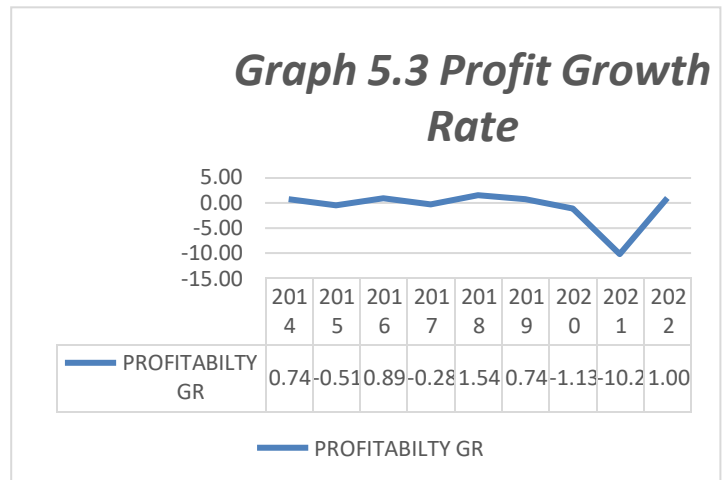


GUL AHMED TEXTILE MILLS LIMITED

Graph 5.3 Profit Growth Rate

Graph 5.3 showing that net profitability was growing during year 2013 to 2014 by 0.74 but during 2014 to 2015 it was decreased by -0.51. After decrease by -0.28 during year 2016-2017, it jumped to 1.54.

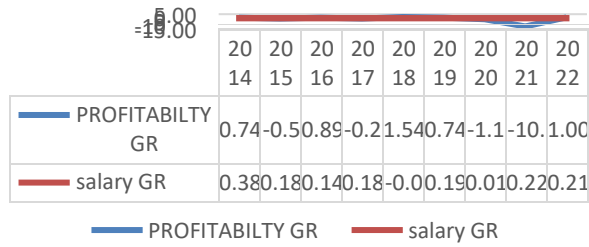
Over the last four years, profit growth rate continually decrease. But recent year it shows growth in profitability.



Graph 5.4 Salary Expense Rate

As graph 5.4 showing that company still increase its employees salary even they were faced economic crises and lower profit rate. During the year 2016-2017 company increased its

Graph 5.4 Salary Expense Rate



employees’ salary by 0.18. But, during period 2019- 2020 company reduced its investment by 0.19 mainly due to COVID-19 Pandemic. Once the situation became better, company again increased its investment in employee’s salary.

PRIMARY DATA

The primary data was all based on company’s employees and manager perception towards their salary and work motivation.

QUESTIONNAIRE

Questionnaire consisted of demographic characteristics of respondent and items that impact on employees work motivation.

DEMOGRAPHIC ANALYSIS

The following background information collected in order to make analysis more meaningful. Such as total number of respondent, proportion of male and female, respondent’s age, and their experience in textile industry along with frequency and percentage of each characteristics.

Table 5.3 Demographic Analysis			
VARIABLES		TOTAL RESPONDENTS	
		FREQUENCY	PERCENTAGE
Gender	Male	18	45%
	Female	22	55%
	total	40	100%
Age in years	Below 20	5	12.5%
	21 to 40	21	52.5%
	41 to 60	14	35%
	Above 60	0	0%
	total	40	100%
Work experience in years	Fresh to 1	9	22.5%
	1 to 3	9	22.5%
	4 to 7	16	40%
	Above 70	6	15%
	total	40	100%

Interpretation; Table 5.3 shows the demographic profile of 40 respondents. In terms of gender, female respondents have outnumbered male respondents (Male 45%, Female 55%). Regarding the age of respondents, the sample population is largely dominated by the age group of 21 to 40 (52.5%) followed by the group within the age group of 41 to 60

(35%). The rest of the respondents consist of adults under the age 18 (12.5%) and none of above the age of 70 (0%). This implies that most of the sample respondents are the younger generation below the age of 40. Based of work experience less than 1 year or fresh 22.5%, same as for one to three years, between 4 to 7 years is 40%, and the remaining 15% have above seven years' experience in the textile industry.

DESCRIPTIVE STATISTICS

One statistical approach for determining equivalence between groups is to use simple analyses of means, it indicates to what extent the sample group on average agrees or does not agree with the different statement. The lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement. The five- point Likert scale is considered as interval scale. The mean is very significant. From 1 to 1.8, it means strongly disagree; from 1.9 to 2.6, it means disagree; from 2.61 to 3.4, it means neutral; from 3.5 to 4.20, it means agree; and from 4.3 to 5, it means strongly agree. Have to remember the coding one as strongly disagree and five as strongly agree this means high the mean score mean more the agreement is expressed with each item or question.

The respondents were asked to indicate their level of agreement or disagreement to the motivational factors and indicate how each motivates employees in the textile sector.

TABLE 5.4 SALARY ON TIME				
Question 1# You are motivated to work when Organization pays you salary on time.				
SACLE	F1	Fx1	%	As table 5.4 showing the first question, the mean is 4.10, accordingly, the majority (57.5%) of participate agree on that they required salary on time so they can easily balance their work and life, focus on work, and for work motivate to can achieve their target which increase profitability of organization.
1 (S.D)	0	0	0	
2 (D)	1	2	2.5	
3 (N)	5	15	12.5	
4 (A)	23	92	57.5	
5 (S.A)	11	55	27.5	
Total	40	164	100.0	
MEAN=4.10				

TABLE 5.5 ADVANCE SALARY			
Question 2# When you need advance salary, company pay you it.			
SACLE	F2	Fx2	%
1 (S.D)	1	1	2.5
2 (D)	4	8	10.0
3 (N)	6	18	15.0
4 (A)	25	100	62.5
5 (S.A)	4	20	10.0
Total	40	147	100.0
MEAN=3.68			

As table 5.5 showing the second question, majority 62.5% of participants agree on that when organization paid salary in advance, their motivation level increase as is seen in the mean of 3.68.

TABLE 5.6 ANNUALLY INCREMENT			
Question 3# Annually increment in salary motivate you to work hard.			
SACLE	F3	Fx3	%
1 (S.D)	0	0	0.0
2 (D)	2	4	5.0
3 (N)	27	21	17.5
4 (A)	22	88	55.0
5 (S.A)	9	45	22.5
Total	40	158	100.0
MEAN=3.95			

As table 5.6 showing the third question. The mean is 3.95, it means is the majority 55% of participate agree with that increment in salary enhance their motivation level.

TABLE 5.7 HIGH SALARY AND RETENTION			
Question4# You desire to retain and motivate mainly due to high salary			
SACLE	F4	Fx4	%
1 (S.D)	0	0	0.0
2 (D)	1	2	2.5
3 (N)	4	12	10.0
4 (A)	25	100	62.5
5 (S.A)	10	50	25.0
Total	40	164	100.0

As table 5.7 showing the fourth question. The mean is 4.10, accordingly, the majority 62.5% of participate agree on that their desire to retain in organization depend on salary package.

MEAN=4.10

TABLE 5.8 EXPECTED SALARY**Question 5 # Salary meets expectations, it motivates you to meet the company's expectation with you.**

SACLE	F5	Fx5	%	As table 5.8 showing fifth question. The mean is 4.07, accordingly, the majority 60% of participate agree on that they are motivated when they paid as they expected for that they work as company desire or want to them.
1 (S.D)	0	0	0.0	
2 (D)	1	2	2.5	
3 (N)	5	15	12.5	
4 (A)	24	96	60.0	
5 (S.A)	10	50	25.0	
Total	40	163	100.0	

MEAN=4.07

TABLE 5.9 EQUALITY AND JUSTICE IN PAY SYSTEM**Question 6# Equality and justice in pay system motivate you to achieve your targets.**

SACLE	F6	Fx6	%	As table 5.9 showing the mean is 4.22, accordingly, the majority 55% of participate strongly agree on that they are motivated when there is equality and fairness in pay system.
1 (S.D)	0	0	0.0	
2 (D)	1	2	2.5	
3 (N)	3	9	7.5	
4 (A)	22	88	55.0	
5 (S.A)	14	70	35.0	
Total	40	169	100.0	

MEAN=4.22

TABLE 5.10 SALARY BASED ON QUALIFUCATION**Question 7# Salary based on qualification motivate the inexperienced employee.**

SACLE	F7	Fx7	%	As table 510 showing he mean is 4.05, accordingly, the majority 55% of participate agree on that they are motivated when there salary decided based on qualification, it leads motivation in newly or fresh employees.
1 (S.D)	0	0	0.0	
2 (D)	2	4	5.0	
3 (N)	5	15	12.5	
4 (A)	22	88	55.0	
5 (S.A)	11	55	27.5	
Total	40	162	100.0	

MEAN=4.05

TABLE 5.11 SATISFACTION WITH CURENT SALARY**Question 8# Satisfy with current salary paid by company.**

<i>SACLE</i>	F8	Fx8	%	As table 5.12 showing the ninth question. The mean of ninth question is 4.22. Hence, it means that the majority 57.5% of participants are agree to strongly agree that high salary motivate them to perform well.
1 (S.D)	0	0	0.0	
2 (D)	4	8	10.0	
3 (N)	5	15	12.5	
4 (A)	20	80	50.0	
5 (S.A)	11	55	27.5	
Total	40	169	100.0	
MEAN=3.95				

TABLE 5.12 HIGH SALARY AND WELL PERFORMANCE**Question 9# High salary motivated you to performance well.**

<i>SACLE</i>	F9	Fx9	%	As table 5.12 showing the ninth question. The mean of ninth question is 4.22. Hence, it means that the majority 57.5% of participants are agree to strongly agree that high salary motivate them to perform well.
1 (S.D)	0	0	0.0	
2 (D)	0	0	0.0	
3 (N)	4	12	10.0	
4 (A)	23	92	57.5	
5 (S.A)	13	65	32.5	
Total	40	169	100.0	
MEAN=4.23				

TABLE 5.13 ABOVE THE EXPECTED SALARY
Question 10# Work hard when you paid above the expectation.

<i>SACLE</i>	F10	Fx10	%	As table 5.13 showing the last question. The mean is 4.2, accordingly, the majority 52.5% of participate agree on that they motivated when company paid them above their expectation and ultimately, they work hard for organization.
1 (S.D)	0	0	0.0	
2 (D)	1	2	2.5	
3 (N)	4	12	10.0	
4 (A)	21	84	52.5	
5 (S.A)	14	70	35.0	
Total	40	168	100.0	
MEAN=4.2				

scale	code	intervals	means											
			Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10		
S.D	1	(1 1.8)												
D	2	(1.9 2.6)												
N	3	(2.7 3.4)												
A	4	(3.5 4.2)	4.1	3.68	3.95	4.1	4.08	4.22	4.05	3.95	4.22	4.2		
S.A	5	(4.3 5)												

TABLE 5.14 SUMMARY OF DISCRIPTIVE ANALYSIS

Based on the descriptive data in Table 4.13, Equality and justice in pay system and high salary (M=4.22) becomes the most important criteria for work motivations in the selected textile companies. The same is relatively for above the expected salary M=4.2. Next to salary expectation, the mean score of salary on time is relatively average (4.1). This least mean score 3.68 which indicates respondent were least agreed on that they are motivated toward work when they paid advance salary by company.

The means of variables range from 3.68 to 4.22 , all between and near 3.5 to 4.2 , so all the respondents are agreed on that they are motivated mainly due to salary and there is there is strong relationship between independent variable(salary) and dependent variable(work motivation).

INTERVIEWS

To support my hypothesis, I asked following question to HR Managers and responses are given below;

Are you agreeing with that there is positive relationship between pay system and work motivation?

Concluded response;

“There is positive relationship between pay system and motivation. As money is basic need for employees who working in our company, salary is motivator for them to show their potential. Not only salary, motivation derived from other factors too.”

Has your organization increase employees’ salary, because of them firm performance level has increased? And what you think when it increased, it motivate employee to perform well and retain employee at your organization?

Concluded response;

“As per our observation and experience with employees regard their salary a salary that employee earning is make the employee happy, ultimately employee put their efforts to perform well and motivated toward to achieve organization overall performance objectives.”

When your company get profit, has it increase salary annually?

Concluded response;

“Either our company gets profit or not, it yearly increase its employee’s salary. But when company increase their expensive by enhancing salary, it would not be necessary that increment in salary will increase company’s profit. But during the loss period, company discuss it with employee that it’s not under the obligation to increase salary.”

During recruiting period, salary decided based on qualification?

Concluded response;

“Not only based on qualification, we always focus on experience too. But, for fresh employee as you asked we gave them opportunity to get an experience from our organization, so they motivated toward perform well in the future.”

Do you agree that pay system must be based on equality, justice, otherwise it can create conflicts among employees?

Concluded response;

“Majority of respondent agree with this, because employee feel motivated when they feel that organization is pay fairly them as they pay other based on their performance. Otherwise it created conflict among them and that lead poor performance.”

Interpretation; Based on the above responses from respondent, it is found that companies considered the salary as a motivator. Company share its profit among employees in form of compensation (salary). Fairness and equality in pay system and timely payment make employees motivated toward their work and overall performance which enhance company’s overall performance.

CONCLUSION

The study was designed to find out the determinants of work motivations of employees working in textile leading, the study tried to meet its objectives addressing the raised research questions by employing statistical analysis techniques. This research found that all salary factors namely salary on time, advance salary, yearly increment in salary, salary based on qualification, expected salary and above the expected salary, high salary required for retain and perform well, and equality and justice in pay system were found to be significantly affect the work motivation. Moreover, all factors statically significant expect two factors that maintain statically more significance included equality and justice in pay system and the other one is high salary. This result may not give the implication in other fields and also in other organizations because most of employees in the sector has a low living standard. Therefore their mindset changes only when the standard living of the country changes. The only thing to motivate employees seems like paying comparatively better payment or has different incentives like allowances and commissions. These findings suggest that in the textile industry of Pakistan, providing equitable and just pay systems and ensuring that salaries are high, expected, and paid on time are crucial for motivating employees. Additionally, retaining employees through high salary may not be as effective as expected, while salary based on qualification may also play a role in motivating employees. However, providing current and advance salary alone may not be enough to motivate employees in this industry.

RECOMMENDATIONS

Depending on the findings of the study and conclusions made, I came up with some important recommendations that can be used to influence employees work motivation in textile companies.

The recommendations given are the following:

- Providing appropriate bonuses to workers who exceed production targets.
- Offering social benefits to support worker health.
- Providing annual bonuses when the company performs well.
- Offering opportunities for promotion to higher positions.
- Improving environmental conditions in the workplace.
- Ensuring competent supervision and showing respect for workers' work.

Additionally, I recommend that the textile industry in Pakistan make upward adjustments to wages and salaries to enhance employee performance.

Moreover, it may be useful to consider other motivational factors beyond compensation, such as providing opportunities for employee development and training, creating a positive and supportive work environment, and recognizing and rewarding employee achievements. By taking a holistic approach to employee motivation, the textile industry in Pakistan can create a more engaged and productive workforce.

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APPENDICES

QUESTIONNAIRE

Dear Respondent,

I am a student of MS program at KUBS – University of Karachi. I am conducting research on “impact of Salary on Employees’ Motivation in Textile Industry of Pakistan” for which I have developed the following questionnaire. You are requested to fill out this questionnaire. I assure you that the information you provide will be used only for academic purpose.

PLEASE RATE THE IMPACT OF FOLLOWING FACTORS ON EMPLOYEE MOTIVATION ON YOUR TEXTILE INDUSTRY.

Please read each statement carefully and click (✓) in the corresponding box, using the scale from 1 to 5, as shown below: **S.D= STRONGLY DISAGREE, D=DISAGREE, N=NEUTRAL, A=AGREE, and S.A=STRONGLY AGREE.**

S.NO	FACTORS	S.D	D	N	A	S.A
1-	Organization pays salary on time.					
2-	Company pay you advance salary.					
3-	Annually increment in salary.					
4-	Employee retained mainly due to high salary.					
5-	Salary meets expectations.					
6-	Equality and justice in pay system.					
7-	Salary based on qualification.					
8-	Satisfy with current salary paid by company.					
9-	High salary motivated you to perform well.					
10-	Work hard when you paid above the expectation.					