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School of Global Affairs and Public Policy

**A Study of the Association of Compensations on Employees Satisfaction in the
Public Sector in Egypt**

Thesis Research Submitted to

Department of Public Policy and Administration

In partial fulfillment of the requirements for
Master of Public Administration

Submitted by

Mai H. Mahmoud

ID: 900070041

Supervised by

Dr. Shahjahan Bhuiyan

Spring 2020

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Dedication

To

My Mom

This thesis is dedicated to my mother's soul, Mrs. Safaa Attia Mahmoud. I owe you my deepest gratitude for all the support, care, motivation, and love that you have provided me. You are the main reason for every achievement I have done. I owe you sincere gratefulness for all the good memories and happiest moments that we have made together and truly wish to meet you again in a better place. I love you and miss you very much, mom.

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Abstract

This paper demonstrates the correlation between compensations and employees' satisfaction in the public sector. It tries to answer whether financial compensation is the most important factor in job satisfaction and determine the other factors attracting employees to work in the public sector job. The research objective attempts to provide an addition to the existing scholars through examining the Egyptian public sector as well as enhancing the validity and reliability of the existing research. This study is using quantitative data in order through collecting questionnaires to analyze which types of compensations affect employees' satisfaction in the public sector. The research study used three tests to measure the correlation between job satisfaction and compensations. These are Chi-square test, Spearman correlation, and Ordinal Logistics Regression. The results of the study reveal a correlation between the dependent variable which is job satisfaction and the independent variables which are income level, the satisfaction of take-home pay, work status, and steady employment, while the results rejected the impact of working hours and leave policies on job satisfaction.

Chapter 1: Introduction

This thesis attempts to understand the relation between compensations and job satisfaction of the Egyptian public sector employees. In this chapter, the study briefly sheds light on the previous literature on compensation packages before highlighting the empirical gap that this study aims to fill. The chapter then illustrates the research objective, and research questions. Before the conclusion of this chapter, the study presents its theoretical framework, in which the hypothetical premise is grounded. The published scholarship has shown that there is a direct positive correlation between compensations and job satisfaction. The literature has highlighted how compensations plays a significant impact on the employees' satisfaction, and highlighted that financial compensation is considered the most essential factor of compensations. The study also underscores how previous literature has dealt with the impact of different compensation systems.

This study highlights the strand of thought adopted by scholars like Soliman (2012, p.3) who conceptualize compensation system as an independent variable. Scholars like Ramzan (2014, p.302) and Soliman (2012, p.3) emphasized payment as well as non-cash incentives, giving relatively high attention to its relevant theoretical definitions at the expense of robust empirical testing. Driven by theoretical foundations that deduce a positive correlation between compensation packages and job satisfaction, this strand tries to standardize and generalize the basic components of a generalized, efficient, and sustainable compensation system. Most notably, they have broadened the conceptualization of the compensation systems with non-monetary aspects.

Another stand of thought attempts to explain the linkages, from an empirical perspective, between compensation packages and job satisfaction. Amongst the findings are the positive psychological impact created by compensation packages. This study sheds light on some of the work of previous researchers, like Darma and Sani (2017, p.75), that underscores the motivational impact of compensation packages on employee's satisfaction for either the already registered employees, or high caliber prospective employees who seem to be better motivated to apply for a job in a company that provides higher compensation levels. Not only does this strand of research focus on exploring causal mechanisms, but it also empirically broadens the pool of research. This strand has begun to explore the impact of

compensation packages on sectors - like academia or practitioners - realms that were beyond the examination of previous researchers. One of the merits of this strand is that it increases the general validity of the results that connect the independent variable (compensation packages) and the dependent variable (employee's satisfaction). As a result, this strand has been able to examine the effect of compensation package on employee's satisfaction which will not positively affect the employees but also the employers. This opens the door for some scholars, like Mwangi (2014, p.8), to better understand how a company should design a cost-effective pay structure that strikes a general balance between costs and proper compensation packages.

The study then moves to the group of researchers, like Mabaso and Dlamini (2017, p.85) and Tessema (2013, p.7), that examines in depth the effects of job benefits on job satisfaction. These studies varied in their conclusions due mainly to the fact that the importance of benefits was relative, depending on the country studied. These studies prove, nevertheless, the positive correlation between job benefits and satisfaction. Besides, it offers proof that non-financial compensation such as a meaningful work environment is also rewarding, yet their direct impact on its own is left for future research. This was empirically proven within case studies conducted by some scholars such as Muguongo (2015, p.52). However, as most of these studies focused on individual case studies, the empirical research needed some mega studies or large N studies that could provide a generalized conclusion.

There is also a considerable dearth of empirical studies that focus on the correlation between compensation packages and employees' satisfaction in the Arab World in general, and Egypt in particular. This is of crucial importance to the overall research in this field given that different societies could render some empirical results found elsewhere relevant, or irrelevant, to the Arab world or Egypt. My research attempts to specifically fill this gap by examining the effect of compensation packages on the Egyptian public sector employee's satisfaction. The value of this research is embedded in its attempt to highlight the importance of the compensations benefits for Egyptian government to improve the pay system in Egypt to satisfy the public servants.

The Egyptian government has neglected the impact of compensations specifically financial compensation on employees' satisfaction. It has been highlighted in Abdelhamid and El Baradei study that most of the employees are not satisfied with their compensation

packages and most of them believe that their compensations are lower than the market (Abdelhamid and El Baradei, 2010, p.17). In addition, it has been reported in the authors article that there is an issue of ambiguity in distributing bonuses and incentives which results to a great dissatisfaction of the public servants (Abdelhamid and El Baradei, 2010, p.17). Although it has been reported by most of the sample respondents that they are not planning to leave their work in the public sector even for a better compensation system, this great dissatisfaction could have a great drawback on the public sector satisfaction and workflow.

The case of the Egyptian public sector is mainly understudied. Moreover, the compensation systems specifically pay system in the public sector in Egypt is considered a significant topic that need to be examined. Besides, employees in the public sector in Egypt highly stick to their jobs in the public sector for lifetime despite its low pay. This study attempts to provide a plausible explanation and answer the following research questions.

- 1. Is financial compensation the most significant factor behind job satisfaction?**
- 2. What are the other factors attracting employees to join public sector?**

The research objective of this study is two-fold. First, it tries to provide novice empirical additions to the already existing scholarship on compensation systems. No previous recorded studies exist about the intricate relationship between job satisfaction and compensation packages in the Egyptian public sector. As this study focuses on the Egyptian public sector, it tries to discover the general patterns of the relationship between the satisfaction of public sector employees and the compensation package of the governmental public sector. Surely, as this study is expected to reveal new patterns, it could provide new insights into the causal relationship between job satisfaction and compensation packages. It could also confirm, or otherwise previous contentions claimed by scholars regarding how public sector employees interact with their compensation system.

Second, the particularity of the case of the Egyptian public sector will inevitably enhance the validity and reliability of the previous research that has been undertaken on compensation packages. As there is mounting interest among scholars to give greater emphasis to other non-monetary aspects of compensations, the case of the Egyptian public

sector is ostensibly thought to add a lot in this regard, especially since it is clear that there is something other than money that makes the Egyptian public sector employees continue working, despite the low pay. The result of this case will either conform or not with the claim that non-monetary aspects of compensations are crucial for employee's motivation.

Since there are no enough theories, overarching theory that combines various aspects of job satisfaction, this study develops a theoretical framework that connects six main variables that might affect job satisfaction which are income level, satisfaction of take-home pay, satisfaction of steady employment, satisfaction of working hours, satisfaction of leave policies, and satisfaction of work status. The study collected 450 hard copies questionnaires from public servants in four different sectors which are public schools, post offices, the Ministry of Social Solidarity and the Ministry of Emigration.

The relationship of the six independent variables has been examined through three tests which are Chi-Square test, Spearman Correlation test, and Ordinal Logistics Regression. First, Chi-Square has been used to determine if there is a correlation between the independent variables and the dependent variable. Then, Spearman Correlation test has been to determine the degree of the correlation exist between the variables. Later, Ordinal Logistics Correlation has been used to examine the correlation between each independent variable and dependent variable holding other variables constant. The Ordinal Logistics Regression ascertains the exact effect of each independent variable to job satisfaction. The results of the OLR have asserted that both satisfaction of take-home pay and work status and job satisfaction are the most significant variables affecting job satisfaction. Satisfaction of steady employment has also considered a significant influencer on job satisfaction. However, income level has reflected a negative relationship to job satisfaction. The other variables which are satisfaction of working hours and leave policies were not considered a significant influencer to job satisfaction.

The thesis is organized in the following manner: chapter one is an introduction to the thesis. Chapter two is dedicated to detail of recent strands that have studied the impact of compensation on employees' satisfaction. Chapter three presents the research methodology. Chapter four presents the New Civil Service Law and compare it with the old law. Chapter five provides the conceptual framework, while chapter six presents the research findings and

the detailed analysis. The thesis has been ended with chapter seven which includes the conclusion and recommendations.

Chapter 2: Literature Review

This chapter reviews the literature on compensations in the public sector and provides an analysis of its effect on employees' satisfaction. Subsequent subsections highlight the different types of compensations packages, impact of compensation, and the methods of determining compensation packages inside public organizations.

2.1 Compensations

Compensations have been defined by international standards as any benefit which an employee values and receives and one which the employer is willing to afford in return of a person's contribution to an organization (Ramzan, 2014, p. 302). Compensations have been considered as the output that the organization could afford in the form of wages, pay and rewards in order to encourage employees to maintain their performance (Ramzan, 2014, p. 302). Compensations and rewards are also considered a human resource management function that is rewarding employees for their dedication and performance (Ramzan, 2014, p. 302). It also has been clarified by Soliman (2012) that there is a difference between compensation and pay terms, as compensations refers to all the extrinsic rewards but pay rather includes all the monetary payments as well as financial benefits. Therefore, compensation can be defined as a comprehensive reward system that is guided by policies and procedures to establish the compensation packages which includes monetary and non-monetary benefits (Soliman, 2012, p.2).

Compensation system has witnessed a great evolution among the international organizations which has been called Professional Compensation, or ProComp (Koppich, 2005, p.101). The term professional compensation, merit pay, or pay for performance is considered a new terminology. However, the philosophy of linking pay to performance is not a new and it goes back to the 16th and the 17th centuries (Heneman, 2005, p.7). This was according to assessing hard work with people's economic success. However, the actual appearance of the merit pay initiated in the early 1900s. In 1912, the concept of merit pay has first been applied by Larkin Company. In 1920, Merit pay plans has introduced by approximately 40 to 50 percent of U.S. urban school districts. In the 1980s, most of the U.S organizations, 80 percent or more, set merit pay plans (Heneman, 2005, p.7). The new compensation system, called

professional compensations by some organizations, aims to integrate compensation packages with corporate strategies in a manner that enables the organization to achieve its objectives, manage its financial rewards and incentivize its employees to achieve the organizational mission. This, according to Koppich, (2005, p.103) contributes to organizational performance and strengthens the organization's corporate values.

On the other hand, the old compensation system all over the world was not related to nor followed the strategic organizational objectives as its reward system was more concentrated on seniority, organizational hierarchies and incremental progression (Choi, 2004, P.17). This was highlighted in Choi's article by Cascio who argued that there is a new movement in the compensation system in which the reward and salary entitlement were not based on seniority, but focused more on performance (Choi, 2004, p.17). However, it was claimed in Soliman's article that the traditional compensation system has valuable objectives as it aims to establish a more equitable and fairer system to both employers and employees. Although the traditional compensation system may seem to some as more straight forward, it is complicated and hard to implement. The traditional compensation system follows certain criteria that have to be applied in order to attain its objectives. These criteria are adequate, equitable, balanced, cost effective, secure, incentive, and acceptable (Soliman, 2012, p.3).

There are different types of compensation systems that each organization offers to their employees in order to meet their changing needs and expectations. Each organization has its own different methods that it uses to satisfy their employees at work (Yandori, 2014, p.193). According to Yandori, monetary compensations are classified into two sectors: cash, which consists of wages or salaries, and non-cash or benefits, which refers to the other benefits that organizations afford to their employees. Soliman clarified that compensations are afforded through three diverse methods which are; flat rates in which employees receive money according to their working hours, individual incentives in which employees receive their payment according to the work output, or a combination of both methods (Soliman, 2012, p.3).

Wiley (1995, p.264) emphasized the importance of salary to the employees as she mentioned that most of the employees gave a higher value to the wages and salaries. Identifying pay rates relevant to the labor market is considered a significant step to any organization, as it is recognized as a way that the organization reflects its employees'

competences. Consequently, wages incentivize the employees and reinforce their feeling of appreciation and belonging to the institution (Wiley, 1995, p.264).

2.2 The Importance of Compensations

The importance of compensation differentials has varied importance across different countries. Different societies see pay difference and compensation packages through their own perspectives which are often culturally driven. Some societies agree that pay difference is a symbol of a fair system. Therefore, they encourage that the employee receives different compensation packages according to their performance or hierarchy.

The significance of compensations has been highlighted in Soliman's study in which it is strengthened that compensation payment is the main reason which drives employees to seek employment in certain work areas as this is the means which enable those employees to satisfy both of their own commercial as well as their family needs (Soliman, 2012, p.6). Moreover, it has been added that compensation plays a pivotal psychological role in making employees feel appreciated and valued by employers (Soliman, 2012, p.6).

Compensation is considered a main factor in any organization and has a significant effect on both the employees and employers. Compensation is one of the most essential factors of motivation and is a strong instrument for attracting appropriately qualified candidates as well as retaining employees (Brewster & Mayrhofer, 2012, p.139). Compensation is playing a major role in acquiring and maintaining employees' productivity. It has been assured by Darma and Sani (2017) that without satisfying compensation, most employees will not remain in their jobs and most of organization will struggle to attract and recruit new candidates.

Lately, there has been an increased focus from the international compensation on the total compensations approach in both sectors of academic as well as practitioner literature (Brewster & Mayrhofer, 2012). According to Brewster and Mayrhofer, total compensation is considered the total rewards that someone receives from an organization in return for his work within that organization. The total compensations have been defined as both the extrinsic and quantifiable elements, which include fixed and variable pay and benefits and perquisites (Brewster & Mayrhofer, 2012). The total compensation approach in the international comparison varied significantly in their pay structure between different countries and cultures.

This is clarified in the substitutive effect between the monetary element that includes the wages and salaries, as well as the incentives and the non-monetary elements which contain the benefits and perquisites (Brewster & Mayrhofer, 2012).

According to Oluigbo and Anyiam (2014), compensations have a significant effect on the organization's performance. This study attempted to examine the role of compensation on job performance inside an Information Technology organization. The study was trying to measure to what extent compensation can contribute to higher performance (Oluigbo & Anyiam, 2014). The findings of the study reported that compensation can increase workers' productivity and, therefore, the study recommends that organizations should work on enhancing incentives and benefit packages in order to motivate workers to be willing to work harder and increase their output and productivity (Oluigbo & Anyiam, 2014).

Oluigbo's (2014) study has tested the effect of compensation packages on employees' performance and retention. The study attempts to investigate the impact of compensation packages, which includes salary, bonus, incentives and allowance on job performance in a private university in Ogun State located in Nigeria (Oluigbo & Anyiam, 2014). The research study reported that compensation packages have a significant effect on employee's performance (Oluigbo & Anyiam, 2014). Therefore, the research study recommended that managers should have an effective role in reviewing and modifying the compensation packages in order to motivate employees, gain their satisfaction and reduce high labor turnover or churn.

Employees' compensation has been considered one of the most essential costs to most of the organizations (Mwangi, 2014, p.8). In some firms, it is also considered the highest cost in an organization as it may reach 60% of the total firm's overheads and sometimes it can be even higher (Mwangi, 2014, p.8). This places significant emphasis on the importance of determining this cost carefully, which could contribute to an organization's profit or loss.

According to Mwangi (2014, p.8), establishing a good employee compensation plan is not only important to the employees but also to the whole organization. Moreover, he highlighted the risk of an improper compensation plan as the higher compensations may result

in unnecessary costs, while the lower payment rates may result in inferior employee quality or higher turnover or both (Mwangi, 2014, p.8). Simultaneously, inequitable wage rates in an organization can result employees' dissatisfaction, which leads to lower employee morale and a higher number of complaints from the employees (Mwangi, 2014, p.8).

It has been highlighted in Mwangi (2014, p.8) that the most important aspect in determining employee compensation plan is to recognize the relationship between performance and reward (Mwangi, 2014, p.8). This highlights the role of the administration in any organization, which is to design a cost-effective pay structure that is able to satisfy, motivate and maintain the most qualified candidates and gain their commitment (Mwangi, 2014, p.8).

2.3 Impact of Compensations on Job Satisfaction

Job satisfaction is a result of many external variables including psychological, physiological and environmental factors that makes employees feel positive toward their job (Aziri, 2011, p.77). Various studies have tried to examine the impact of compensation benefits on job satisfaction. Mabaso and Dlamini (2017, p.85) investigated the influence of compensation and benefits on employees' satisfaction in national academic and higher educational institutions in South Africa. The result of the study was collected through a survey investigating that compensation has a positive and significant effect on job satisfaction. Moreover, the research suggested that there is no positive relation between job benefits and job satisfaction (Mabaso & Dlamini, 2017, p.85). Therefore, the result of the research concluded that benefits cannot affect job satisfaction, but only compensation can do. The research recommended that these higher education institutions should work on improving their compensation strategies in order to attract the most qualified candidates and maintain their dedication and work commitment (Mabaso & Dlamini, 2017, p.85).

However, another study examined the role of employee recognition, pay and benefits on job satisfaction (Tessema, 2013, p.1). This study found that all of the recognition, pay and benefits have an important positive impact on job satisfaction (Tessema, 2013, p.7). Nevertheless, the study highlighted that the importance of benefits were relative dependent on the country; therefore, it has been found that benefits per se is relatively more significant in the U.S than it is in, for example, Malaysia and Vietnam (Tessema, 2013, p.7). The study has also

confirmed the significance of the impact of the financial as well as non-financial rewards on job satisfaction. Moreover, the study clarified that the positive impact of the financial rewards on job satisfaction will ultimately reflect positively on employee performance (Tessema, 2013, p.7).

The results of previous studies have also been confirmed in a further study undertaken in Punjab, Pakistan. In his study, Yaseen (2013, p.152) examined the effect of compensation factors on job satisfaction in Punjabi hospitals. Yaseen's study suggested that pay, recognition, and promotion are all playing factors of compensation management which are directly affecting doctors' satisfaction. However, the study strengthened that non-financial compensation such as meaningful work and getting proper service are still considered the most critical factors affecting doctors' satisfaction (Yaseen, 2013, p.152).

Muguongo (2015, p.52) illustrated in her article the effect of compensation on job satisfaction focusing on secondary school teachers in Maara Sub, Tharaka Nithi County in Kenya. The study demonstrated that teachers in Kenya are always complaining about the low compensations which they derive from their jobs. The study was not able to prove the impact of teachers' job dissatisfaction on the huge number of the stand offs (Muguongo, 2015, p. 52). However, the study attempts to investigate the effect of both the financial as well as non-financial compensation on employees' satisfaction among secondary school teachers in Kenya (Muguongo, 2015, p.52).

Muguongo (2015) reported through the results of her random survey in Maara sub-County that basic pay, job allowances and work environment are all considered strong playing factors affecting a teacher's job satisfaction. The study concluded that the low compensation that teachers receive is the main reason for their dissatisfaction. Therefore, the research study recommends that the government reviews its compensation policies provided to its teachers and enhance these policies in order to achieve teacher's job satisfaction (Muguongo, 2015, p. 57).

Another study by Salisu (2015) has been focusing on the public sector of Jigawa state of Nigeria in order to investigate how various compensation packages might influence job satisfaction (Salisu, 2015, p.290). The research study focused on four variables in order to analyze the compensation package which are; salary, allowance, gratuity and pension. The study focused on the public construction workers in the Ministry of Works and Transport

(Salisu, 2015, p.290). The result of the research indicated that there is a positive and direct effect between workers' satisfaction and compensation packages. Therefore, in the research, salary was not a playing factor affecting job satisfaction as most of the workers were not receiving satisfactory salaries (Salisu, 2015, p.290). In addition, allowances were not affecting workers job satisfaction as they were not paid regularly but, rather were paid only on special occasions. Gratuity was considered a significant factor influencing workers' job satisfaction. Pensions also has a great influence on workers' satisfaction as they were received after retirement on a regular monthly basis compared to the ad hoc nature of the private sector pensions (Salisu, 2015, p.290).

In the Arab world, Baledi (2017) examined the impact of compensation on enhancing employees' performance through job satisfaction in Jordan. The research included all the employees in Jordanian newspapers in order to measure the impact of compensation on employees' performance and satisfaction (Baledi, 2017). The result of the research proved that compensation has a direct impact on both employees' performance and satisfaction (Baledi, 2017).

2.4 Compensation Packages in Egypt

The compensation system and the system of pay in the public or government sector in Egypt have witnessed unsatisfactory reactions. Compensation package is considered a significant issue threatening the very fabric and operating abilities of the Egyptian public sector (Said, 2012, p. 58). The Egyptian government needs to work on reforming the pay system through enhancing the minimum wage policy and increasing the funding of the government employees' pay, solve the issue of wage discrepancies and establish a pay system based on performance without which significant employees' dissatisfaction will remain and which have already led to increased labor strikes (Said, 2012, p. 58). Said clarified that "job security" is considered one of the most essential factors attracting employees to work in the public sector, beside fridge benefits and convenient working hours (Said, 2012, p. 62).

Abdelhamid and El Baradei (2010) attempted to examine the government employees' satisfaction with their monthly payments, which includes the average of their basic salary, any bonuses, incentives and allowances provided. The study tried to rate the employees' level of satisfaction and found that 82% of the interviewed employees were not satisfied with their

compensation packages to differing degrees. Moreover, most of the interviewed employees, around 97% believe that their compensation packages are not aligned with market wage rates. Most of them believed that the market rate to be better than their compensation packages (Abdelhamid and El Baradei, 2010, p.17).

The ambiguity in distributing the bonuses is also considered one of the disadvantages of the public sector (Abdelhamid and El Baradei, 2010). Bonuses and incentives are also considered a factor of employees' dissatisfaction of their compensation packages as around 75%, believe that bonuses and incentives are distributed based on unclear and ill-defined criteria (Abdelhamid and El Baradei, 2010, p.17). Moreover, despite the increase witnessed in minimum wage from to LE 35 to LE 305, the real minimum wage has not been similarly increasing (Omar and Abdel Latif, 2011, p.6). Ironically, the real monthly minimum wages slashed from 291 LE to 219 in 1985 and 2008 respectively. The crux of that decrease can be interpreted by the higher increase in the inflation rate as the minimum wage increased by only 9.4 while the annual inflation rate was 11 percent over the period (Omar., and Abdel Latif, 2011, p.6).

According to Abdelhamid and El Baradei, compensation packages in the public sector need urgent modification. Compensation packages are identified as not sufficient for employees' needs, as most of the respondents, 76%, agreed that they are unable save from their salary (Abdelhamid and El Baradei, 2010).

It has been emphasized in Omar and Abdel Latif's (2011) article on the importance of linking wage to employees' productivity. It has been indicated in labor **law no.13 of 2003 that there is no relationship between the current income level and employees' productivity. Moreover, employees' wages and minimum wage are even much lower than the productivity level. The researcher agreed on the significance of linking pay to productivity (Omar and Abdel Latif, 2011, p.9). This could motivate public sector employees to work harder as the assumption is that their efforts will be recognized by their organization (Omar and Abdel Latif, 2011, p.19).

2.5 Gaps in the Literature:

There have been many studies that have examined and analyzed the significance of diverse compensation packages on employees' satisfaction and performance. Most of the studies agreed that compensation packages have a direct positive effect on employees' satisfaction, which reflect in better performance. Some of the studies have been focused on the public sector while others focused on the private sector. Some of the literature has been produced on the developing countries. However, very little has been examined in the Arab world generally, and specifically on Egypt.

There are many studies that have tried to examine the role of compensation and its effect on employees' satisfaction and performance around the world. There is a gap in the previous research focusing on the importance of the effect of the compensation packages in the public sector in Egypt. The Egyptian market has neglected the significance of the compensation packages on employee's performance and motivation. Therefore, there is a need for clarifying and understanding the effect of sufficient compensation packages on employee's performance and commitment to their organization. The value of this research is that it attempts to focus and highlight the importance of the pay through its positive impact on employees' satisfaction in the public and governmental sector in Egypt.

Chapter 3: Context- Public Servants Compensation Reforms in Egypt

3.1 Summary of the Civil Service Law

The Egyptian government has been attempting to reform the Public Sector policies and regulations since 1952. The most recent reform was achieved through the adoption of the new Civil Service Law 81/2016. In comparison with Law 47/1979, the new Civil Service Law presented a number of crucial reforms for the civil service in Egypt. The vision of the Law is “to improve the working conditions of civil employees and enhance the transparency of government services and strengthen citizens' confidence in the state administration through setting a new wage system, effective, neutral and accurate evaluation system, an early retirement system, and a new code of conduct” (Ahmed, 2016, p.58). The new Civil Service Law 81/2016 consists of nine chapters. Chapter five represents the wages and allowance from article 36 to 45.

3.1.1 Salary scale

One of the key issues that the new law aimed to achieve was reforming the pay scale for the public servants. Chapter five of the wages and allowance included several articles (Articles 36-45) that tackled the financial compensations for the 6.3 million Egyptian public servants (Civil Service Law 81, 2016, p.19). Article 36 identified the salary scale for all civil servants (see figure 1). In the same context, the new Law stated that the annual increase of government employees to be seven percent (Article 37) (Civil Service Law 81, 2016, p.19). It also approved that civil servants may receive a five percent financial incentive for prominent and excellent performance (Article 38) (Civil Service Law 81, 2016, p.19). However, the Article specified that those entitled to this incentive must be evaluated as “highly efficient” during their last two annual appraisals, and they cannot be granted this incentive more than once every three years per employee. Article 38 also attempted to enhance distinguished performance among public servants by stipulating that the number of employees who could get the excellent-performance incentive must not exceed 10 percent of the total number of state employees in one year. The Law also identified financial incentives of 7 percent out of

their basis for any employee getting further academic degrees and qualifications (Civil Service Law, 2016, p.38).

The salary scale of Civil Service Law 81-2016 has been indicated among three job categories which are specialized jobs, clerical and technical jobs, and craftsmen and support staff jobs. Each job category includes nine positions levels (see appendix 1.3). The table shows the salary level of each position level in each category in EGP and its equivalent amount in USD before and after the devaluation of the EGP. For the specialized jobs, salary levels range from 2,065 LE or 133.2\$ for Distinguished job level employees to 880 LE or 56.77\$ for Third (C) job level employees. For Clerical and Technical jobs, salary levels vary from 1,195 LE or 77\$ for the first seniority one year or more employees to 845 EGP or 54.5\$ for the technician/ clerk employees. For the craftsmen and support staff jobs, the salary level range from 1,035 or 66.77\$ for second seniority more than three years to 53.87\$ for the sixth seniority up to two years. However, most of the government employees obtain “Complementary Pay” which are additional allowances and incentives (El Baradei, 2019, p 313).

Even through the new Law has presented an increase in the salaries scale for almost all public and governmental employees, the Central Bank’s decision to float, and hence devaluate, the Egyptian pound in November 2016 caused those employees a serious loss in the value of their salaries, where half of the Egyptian pound’s value was decreased overnight (El Baradei, 2019, p.304). The decision of floating the Egyptian pound stemmed from the IMF’s prerequisite of the \$ 12 billion loan for Egypt. This loss in the value of the Egyptian pound was also accompanied by a rise in inflation and the price of most of the basic food products and services has skyrocketed (El Baradei, 2019, p 304). Besides inflation and the pound’s devaluation, the Egyptian Parliament adopted in August 2016 the introduction of the value-added tax as well as the reduction of subsidies. These measures have resulted in a major increase in the prices of fuel, electricity and other goods and services (El Baradei, 2019, p 313).

Public and governmental employees, among other low-income citizens, have borne the brunt of these measures. In her paper “Egypt’s Currency Devaluation & Impact on the Most Vulnerable, Dr. Laila El Baradei has discussed the impact of floatation of Egyptian pound on

civil servants (see figure 1). El Baradei noted the vast difference in the value of the salaries of public and governmental employees before and after the devaluation of the pound. For instance, for the holders of the “Distinguished” specialized jobs, the equivalent in USD of their monthly salary slashed from 258.13 USD before devaluation to 114.72 after the devaluation (El Baradei, 2019, p.312). In the same context, the value of monthly salaries for all other job categories witnessed a similar decrease with at 50 percent in terms of equivalency to USD.

3.1.2 Recruitment, Probation Period, & Leave Policies

The recruitment process was another important reform presented in the new Civil Service Law. In the old Law 47/1979, recruitment was implemented through advertising jobs in the newspapers with general and vague requirements. Also, the examination process was not often performed in a transparent manner, where corrupt measures and nepotism were common. The new Law, however, identifies a transparent and competitive process of recruitment. In addition, the new recruitment process is dominantly electronic; “starting from the advertisement on the CAO A website [article (33)], filling the application online, submitting the required documents from the calibers online, sending the test details to the calibers via email, tests are electronically automated, the selected calibers’ names are announced on the CAO A main page.” (Ahmed, 2016, p.63).

While both Laws, 47/1979 and 81/2016, provided the government employees under probationary period some rights, such as enjoying public holidays, the new Law has been generous in granting those employees with further rights and privileges. This can be seen in the right of being entitled to sick leave during the probation period contrary to the old law where public employees were deprived of such rights (Law 47/1979, Law 81/2016). Similarly, the new law offers those who do not succeed in passing the probation period the opportunity to take another probation period in a similar position related to their area of expertise (Law 81/2016).

In terms of leave policies, Law 81/2016 has also been more flexible in comparison to the old law of 1979 in different ways. First, according to the new law, government employees

are entitled to three-day leave compassionate (bereavement) leave, while the old law granted only one-day leave (Civil Service Law 81, 2016). Moreover, the new Law grants the employees who are pursuing further academic degrees with the right to take the exams days off without being extracted from the annual leave (Ahmed, 2016).

3.2 Concluding remarks

The researcher believes that the new Law of 2016 is a milestone and a breakthrough towards reforming the civil service in Egypt. The law provides governmental and public employees with more rights and privileges in terms of both monetary and nonmonetary incentives. However, due to the three-abovementioned factors – the devaluation of the pound, inflation, and the value-added tax – the new monetary incentives were eroded. The nonmonetary incentives support the researcher's theory that these incentives are the reason behind the low turnover among the public employees in Egypt.

Chapter 4: Conceptual Framework

4.1 Introduction

This chapter highlights the diverse techniques and approaches that were used to examine the effect of compensation packages on employees' satisfaction. Before examining the effect of compensation packages on job satisfaction, it will be appropriate to comprehend the meaning of different terminologies.

4.2 Compensation packages

Compensation packages are the offers, which an organization affords to the employees in return of their work. Compensation packages are offered in form of salary, allowances, gratuity, and pension (Salisu, 2015, p. 283). Salary is a fixed amount of money that an organization affords to an employee in return of his work. Employees could receive their salaries weekly, monthly, or annually (Salisu, 2015, p.283).

Moreover, allowances are other monetary support besides salaries, which are offered by the organization to its employees for a specific reason such as personnel initiative or engagement. The allowance benefits are considered an additional amount of money afforded, which are offered for specific conditions such as retirement pensions. Pensions are paid to employees under certain conditions as a worker or an employee is required to be working for the organization for a minimum specific period before being entitled to draw one (Salisu, 2015, p.283).

4.3 Job satisfaction

Job satisfaction could be defined as the extent to which an employee feels content and positive towards his/her job and his/her organization, which motivates him/her to fulfill his/her duties efficiently. Job satisfaction is very essential to the organization's performance as it enhances controlling the turnover rate (employee churn) and motivating employees (Yaseen, 2013 p.142). There are numerous factors that affect job satisfaction such as recognition, promotion, job involvement and work environment. Nonetheless, compensation is one of the most influential factors that affects the level of job satisfaction (Yaseen, 2013, p.142). Therefore, Yaseen (2013, p.142) clarified in his study that job satisfaction is considered and defined as a dependent variable and therefore is affected by other independent variables.

Work satisfaction can be defined as a force and a catalyst for work behavior, which is responsible of forming the direction, power and sustainability of the work behavior and the whole environment (Benson, 2008, p.14). It is worth noting that although work motivation is considered a sole factor achieving job performance, it has an essential role in supporting any organization to attain the performance (Benson, 2008, p.14).

4.4 Impact of compensation packages on Job Satisfaction:

In order to clarify the impact of financial compensation on the public sector, it is useful to clarify that public sector organizations acquire different working conditions from the private organizations (Benson, 2008, p.18). Employees in the public sector are challenged with high levels of public scrutiny and they are required to work hard in a transparent manner while receiving lower wages and salaries (Benson, 2008, p.18).

Many researchers have tried to study public sector employees' attitudes with job satisfaction (Wright, 2001, p.569). They have found that organization characteristics are playing an important role in determining employees' work attitude and job satisfaction. This could explain the findings that public employees have been found to be more dissatisfied with their jobs in comparison to other employees who are enrolled in the private sectors (Wright, 2001, p.569). This emphasizes on the importance of the role of compensation packages as well as the other incentives in the public sector.

It has been noted that compensation is considered more than an amount provided to an employee in exchange for his work. However, compensations highlight many aspects about the business structure and employees' recruitment. Compensations are representative of the motivation, performance, feedback, and satisfaction (Fogleman & McCorkle, 2009, p.1). Compensations to employees may not just represent an amount they receive, but a value they gain (Fogleman & McCorkle, 2009, p.1). Compensations can be classified into many types, such as non-monetary, direct, and indirect compensations. Non-monetary compensations represent any form of intangible benefits that an employee receives from his/ her job. This can be considered a person's career or social rewards such as job security, flexible working hours, recognition, work atmosphere, and opportunity to grow. Direct compensations represent the tangible financial compensation that a person receives in return of his work such as annual

salaries and any bonus paid. Indirect compensation represents the legal requirements of public protection programs such as retirement programs, health insurance, childcare and maternity and paternity leave (Fogleman & McCorkle, 2009, p.1).

To understand the impact of financial compensations as a motivational factor on employee's performance, we need to understand the other factors affecting employees' work motivations. The research study aims to analyze Herzberg's Two-Factor theory in order to assess the impact of financial compensation in relation to the other factors. Herzberg has divided his theory into two factors: "motivators" and "hygiene factors" (Somsa-ard & Mahamud, 2016, p. 26). Herzberg clarified that motivators is the one factor responsible for employee's satisfaction and that "hygiene factors" are the issues that will lead to employees' dissatisfaction (Somsa-ard & Mahamud, 2016, p. 26). Therefore, according to Herzberg's theory, improving "hygiene factors" will reduce job dissatisfaction, and improving "motivator" factors will increase job satisfaction (Somsa-ard & Mahamud, 2016, p. 26).

The aim of the research study is to highlight the impact of financial compensations on achieving performance. Theoretically, monetary incentives have a direct effect on increasing effort, and the exertion of more effort will directly lead to greater performance. As per Goddy's research, monetary incentives have a direct effect on employee performance (Osa, 2014, p.69). However, monetary incentives should be incorporated with non-monetary incentives in order to fulfill employees' needs and interest and achieve to their satisfaction (Osa, 2014, p.69). Moreover, Huttu clarified in his study that there is a positive correlation between monetary incentives and performance (Huttu, 2010, p.12). Those employees who received monetary incentives were found to be attaining 30 percent performance increase compared to others employees who were not (Huttu, 2010, p.12).

4.5 Theories for Job satisfaction

There are numerous theories that have been reviewed in an attempt to prioritize human diverse needs in order to achieve satisfaction. There are many theories that have sought to examine the role of job motivators to the organization's success. These theories have a standard classification, which are content and process theories (Mughal, 2016, p. 1363). This

study considered two main theories examined job satisfaction which are Maslow Hierarchy of Needs and Herzberg's Two Factor Theory.

4.5.1 Content theories

There are different theories on literature that examined job satisfaction. Some scholars categorized these theories into content and process of job satisfaction. Content theories are mainly focusing on "individual's needs corresponding drives, expected goals and rewards and employees' priorities, such as individual's physical, psychological, and social needs" (Mughal, 2016, p. 1363). Most of the researchers have related those needs to three levels of employees' requirements which are primary, secondary, and high-level employees' requirements. Process theories focus on answering the question of "how motivation takes place?" Therefore, job satisfaction is related to the word expectancy from the cognitive nature of job satisfaction. The theory is mainly focusing on the ability of achieving both the needs and goals of satisfaction cognitively (Mughal, 2016, p.1363).

Content theories focuses on real factors assessing to motivate employees through focusing on the universal personal's needs (Linh, 2016, p.13). Content theories focus on revealing and illustrating the employees' goals in order to reach the satisfaction process. Therefore, content theories concentrate on employees' personal needs as well as motivational factors (Linh, 2016, p.13). Content theories are represented in Maslow's hierarchy of needs and Herzberg's two-factor theories (Linh, 2016, p.13).

4.5.1.A Maslow hierarchy of needs:

The initial theory studied the motivation and satisfaction in an organization is Maslow's "Hierarchy of Needs", which was developed by Abraham Maslow. The theory was examined based on an organization setup and the hierarchy of needs setup. Maslow assumed that a person's motivational need is based on his/her specific individual needs. Maslow clarified in his theory of needs that, "once the level of needs has been satisfied, the next higher level of motivation would be activated to motivate or satisfy the employees" (Mughal, 2016, p.1363). In other words, if an employee struggles to satisfy his basic needs of food and shelter, it is not rational to expect that he will consider the next higher level of motivation such as recognition. Maslow determines in his theory that there are five different levels of individual

needs, which include “physical, safety, social, esteem/achievement and self-actualization” (Mughal, 2016, p.1363). Maslow’s work was the earliest work on motivation, which was later, the beginning for many researchers to examine the issue of job satisfaction (Mughal, 2016, p.1363).

Physiological or physical needs are considered the most essential factors a person need to survive such as oxygen, food, and water (Linh, 2016, p.17). Therefore, they have been classified as the most essential living conditions that human needs such as sleeping, pleasure, or sexual desire. Financial compensation and basic salaries are expected to be in this category as they have been used to cover a person’s living expenses (Linh, 2016, p.17).

In the second level, safety needs are presented in Maslow’s hierarchy of needs. Safety needs represents a person desire to feel secure from any physical attack or fear. In the organizational level, most employees are seeking secured jobs which protects them from any future accidents (Linh, 2016, p.17).

In the third level, love and social needs are highlighted in Maslow’s hierarchy of needs, which includes the feeling of making friends or social relations. An organization should be successful in building effective communication among its employees through creating group events (Linh, 2016, p.17).

In the fourth level, Maslow’s hierarchy of needs clarified esteem needs, which represents both self-respect and recognition. Esteem could be translated into confidence, power, independence, and achievement. Esteem inside organizations means the translation of workers’ contribution into rewards and appreciation (Linh, 2016, p.17).

In the last stage, Maslow’s hierarchy of needs highlighted self-actualization needs which represents the high potential desire of realization. Self-actualization needs inside organization means the high motivation of employees who are enjoying esteem needs (Linh, 2016, p.17).

Compensation system is considered a serious issue threatening the public sector in Egypt as the vast majority of public employees can barely afford to meet their basic living needs. Compensation system is one of the key factors of human resource management and therefore it plays a significant role on employees’ satisfaction and motivations in the work environment. (Soliman, 2009 P.1) Therefore, it makes more sense to examine the impact of

pay when studying job satisfaction among government employees in Egypt (Soliman, 2009, p.1).

Figure (1): Representation of Maslow’s Hierarchy of needs in the professional fulfillment

Maslow's Hierarchy of Needs	Personal fulfillment	Professional fulfillment
Highest: Self-Actualization	Creative success and achievement	Challenging work, leadership, professional achievement
Esteem	Status and respect	Authority, titles, recognition
Social	Family and friendships	Team membership and social activities
Safety	Financial stability	Seniority/ Job security
Lowest: Physiological	Food and shelter	Salary

Figure 1: Maslow’s Hierarchy of Needs (Source: Skripak, 2016, p.233)

The satisfaction or dissatisfaction of employees relies on two main factors; the nature of the job, and employees’ expectations about what the job should provide to the employees (Mughal, 2016, p.1362). Although Mughal highlighted in his articles that there are many factors affecting job satisfaction such as financial compensations, supervision, promotion, work environment and co-workers, he clarified that the pre-mentioned two factors are the main influences related to job satisfaction (Mughal, 2016, p.1362).

As it is mentioned in Maslow’s hierarchy of needs theory, individuals have to fulfill their basic needs first in order to be motivated to fulfill the next higher level of motivation. Being familiar with the cultural and social circumstances in Egypt, the author strongly believes that the main challenge for job satisfaction among the majority of government employees in

Egypt is that employees are not rewarded with sufficient compensation to fulfill their basic needs to lead a dignified life. Mughal (2016, p.1362) argues that low levels of salaries mainly affect job satisfaction in under-developed countries and therefore the first task that needs to be addressed is the monetary advancement of those employees.

Reason behind Maslow hierarchy of needs theory:

Impact and implication of hierarchy of needs theory on organizational culture:

Maslow's hierarchy of needs theory is considered appropriate to this study because the hierarchy of needs theory represents the organizational orientation as well as employee motivation (Osa, 2014, p. 67). Moreover, the hierarchy of needs theory is able to guide managers to encourage their employees to become self-fulfilled. The theory serves both the organization and the employees as it suggests that both the organization and employees should achieve the organization's performance (Jerome, 2013, p.42). This will be achieved when the employees work and exert all their effort to sustain the organization's performance and human resources make sure that organization fulfills employees needs and esteem (Jerome, 2013, p. 42).

The hierarchy of needs theory emphasized that employees' physiological and security needs are essential because their achievement means improving performance inside an organization and vice versa (Osa, 2014, p. 67). Moreover, regarding the employee's social needs, the organization has to emphasize values and norms through its human resource practices. These norms should focus on strengthening employees' relationships (Jerome, 2013, p.42). Furthermore, it is essential that culture and human resources practices should focus on attaining employees' self-esteem and self-actualization needs. Emphasizing employees' developmental status will enable the organization to gain employees loyalty and work dedication, which will motivate employees to exert all their efforts to their organization (Jerome, 2013, p.42).

Impact and implication of hierarchy of needs theory on employees' performance:

Organization benefits, monetary or non-monetary, are having a significant effect on employees' satisfaction, which leads to better performance (Osa, 2014, p. 64). The organization benefits, which includes bonuses, or allowances are considered an important strategy that some organizations use in order to improve the company's performance (Jerome, 2013, p. 43). These benefits are considered a good motivational element for many employees, which encourage them to enhance themselves as well as their career performance (Jerome, 2013, p. 43).

4.5.1.B Herzberg's two-factor theory:

Herzberg's study focused on analyzing the short as well as long-term factors of extreme satisfaction and dissatisfaction inside organizations (Linh, 2016, p.20). Herzberg's two-factor theory endeavored to analyze the job motivators, which affect employees' satisfaction in the work environment. Herzberg has collected his data based on 200 interviews in which he depended on two main questions that are: "when did you feel good about your job?" and "when did you feel bad about the job?" He concluded that there are some factors of motivations and others of dissatisfactions as he named hygiene factors. He figured out that salary is one of the key factors affecting employees' satisfaction besides company's policy, administration, supervision, work conditions and interpersonal relations (Mughal, 2016, p.1363).

Hygiene (maintenance) factors are the ones describing the external aspects such as the environment and job context. The meaning of the word hygiene is preventive, and environment and it is considered a medical adjective. Those factors have been named hygiene factors as they are trying to prevent employees from being dissatisfied, although they still cannot make them satisfied (Linh, 2016, p.21). Moreover, the attractiveness of hygiene factors does not maintain for long once they have been obtained. This occurs when employees acquire better working conditions and communication and they start seeking greater needs. However, the absence of the hygiene factors could cause dissatisfaction and feeling of unfairness among the employees (Linh, 2016, p.21). Therefore, it has been estimated that Herzberg's theory is similar to a great extent to Maslow's hierarchy of needs. Hygiene and maintenance factors in

Herzberg's theory are considered roughly equivalent to Maslow's higher-level needs (Venugopalan, 2007 p. 42).

Maslow's hierarchy of needs	Herzberg's two-factor theory
Physiological	Hygiene factors
Safety	
Love	
Esteem	Motivators
Self-actualisation	

Figure 2: Maslow's Hierarchy of Needs Vs. Herzberg's two-factor theory (Source: Linh, 2016, p. 21)

Motivator's factors are linked to the positive attitudes as they are trying to guarantee employees' satisfaction. Herzberg's two factors theory illustrates that satisfaction and dissatisfaction are not opposite to each other. If an employee is neither motivated nor dissatisfied in his job, it does not automatically mean that he is not satisfied (Linh, 2016, p.21).

It has been estimated from Herzberg's two factor theory that employees have three status which are dissatisfaction and demotivation, neither dissatisfied nor motivated and satisfaction.

The figure 8 illustrates detailed elements constructing Herzberg two-factor theory.

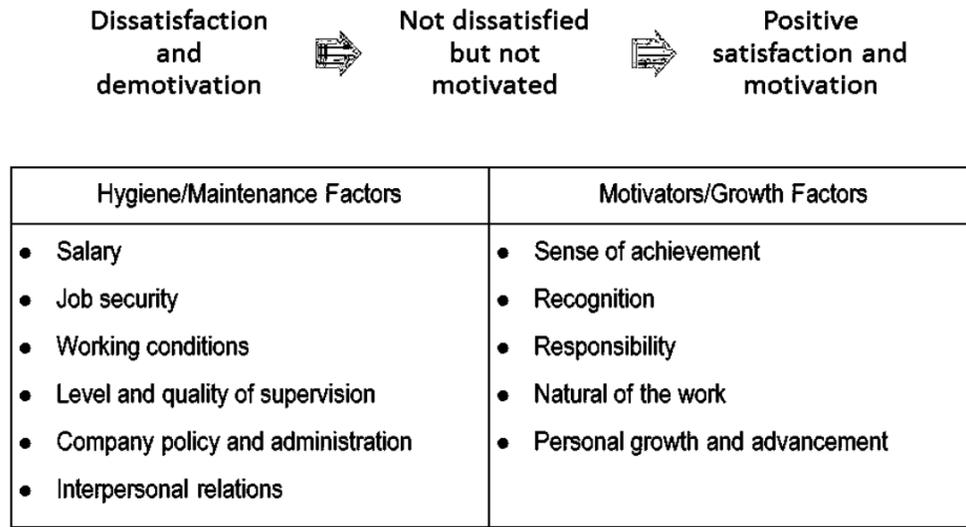


Figure 3: Hygiene/ Maintenance Factors Vs. Motivators/ Growth Factor (Source: Linh, 2016, p. 22)

The above table illustrates that according to Herzberg’s two-factor theory, salary and financial compensation are the main reasons for employees’ dissatisfaction if they are not sufficient. However, it also does not mean that employees who are receiving high salaries will be motivated in their work.

Some other theories discovered that there are other components deemed more important than rewards and compensations. McClelland found out in his theory of “Needs-Achievement” in 1961 that there are some employees who prefer personal achievement rather than rewards. These individuals are more motivated by challenging jobs in which they can exert effort and struggle for success. His theory was mainly focusing on the impact of achievement motive, which is fulfilled through power, affiliation, and achievement motives (Mughal, 2016, p.1363).

4.6 Conceptual Model

The study aims to measure the impact of different independent variables which are income level, satisfaction of take-home pay, satisfaction of steady employment, satisfaction of working hours, satisfaction of leave policies, and satisfaction of work status on job

satisfaction. The model clarifies that all the independent variables will have a positive effect on job satisfaction.



Figure 4: Conceptual Model

4.7 Research Questions and Hypotheses

1. **Is financial compensation the most significant factor behind job satisfaction?**
2. **What are the other factors attracting employees to join public sector?**

There are six hypotheses that the researcher raised in order to analyze the research questions. The hypotheses are driven from the variables that the conceptual model has illustrated. These hypotheses are the below:

H1: Employees who are receiving higher salaries are satisfied with their work

H2: Employees who are satisfied with their take-home pay are satisfied with their work

H3: Employees who are satisfied with their steady employment are satisfied with their work

H4: Employees who are satisfied with their working hours are satisfied with their work

H5: Employees who are satisfied with leave policies are satisfied with their work

H6: Employees who are satisfied with their work status are satisfied with their work

Chapter 5: Research Design and Methodology

5.1 Introduction

This chapter explains the research design, the target group, the sample criteria, the study tool, questionnaire validity and reliability, the ethical issues, and the statistical data analysis.

5.2 The purpose of the study

Many factors are summarized in the conceptual framework (see Chapter 4) which influences employees' satisfaction in the public sector. This is highlighted in the conceptual framework section (Yaseen, 2013). This study aims to clarify the factors affecting employees' satisfaction in the public sector and lead to a better understanding of whether pay leads to the employees' satisfaction in the public sector. Therefore, the outcomes of this research study would be beneficial for policy-making officials in the public sector.

5.3 Research Design

This research study uses a descriptive method in order to analyze a specific factor (pay) on a specific group of people (public sector employees) and to determine its effect on their satisfaction. This has been determined by defining research questions and hypotheses. The research study used quantitative data that has been gathered through a survey of public sector employees.

The survey method is considered one of the most effective methods to use for this research study. First, it is considered an easy method to establish, a reliable method to depend on a simple process of data analysis. In order to be able to reach public sector employees, hard copies survey questionnaires were distributed to employees in the public sector at different sectors which are public schools, post offices, the Ministry of Social Solidarity and the Ministry of Emigration.

The research study used a cross-sectional element is used which depends on collecting the data at a single point in time (Wimmer, 2011, p.232). This explains that the data collection should be at the same time frame and leads to the conclusion that the data findings will not be considered reliable over time due to the changes that may occur to the work environment, people's priorities and culture. This type of research study allows the researcher to determine

the correlation between two variables if the interval periods between the two variables are long enough to enable the cause to produce the measured effect (Wimmer, 2011, p.232).

5.3.1 Sampling Procedure

The research study includes a wide range of different sectors of for regular/formal public employees of different ages. The research study population aged from 21 years old to over 55 years old. Furthermore, according to Cavana and Sekaran (2001), there should be a proper size sample in any research study, which is between 30 to 500 respondents. The authors clarify that the 384-sample size is considered a proper sample for studying a one million population. Therefore, this research study is a total of 450 public employees.

In this research study, a non-probability sampling technique is going to be used which is an appropriate method to use in order to investigate a relationship between two variables (Wimmer, 2011, p.232). After determining the non-probability sampling technique, purpose sampling has been chosen in distributing the survey. This enables the researcher to choose specific cases that are most representative of the research study (Wimmer, 2011, p.127).

5.3.2 Research Instruments

The study has utilized anonymous questionnaires that encourages the respondent to answer the questions freely and honestly without mentioning their name or identity.

Questionnaires were distributed as hard copies in four public institutions which are public schools, post offices, Ministry of Social Solidarity, Ministry of Emigration. A total of 450 valid responses were collected over three months from mid-August 2019 to mid-November 2019 since it is a cross-sectional study.

5.4 Variables, Measurements and Operationalization

The research study has used two different measuring scales to measure the respondents' answers. The first measuring scale is a nominal scale that has been used to analyze the respondents' demographic data related to respondents' gender and marital status (Brown, 2011). The second measuring scale is the ordinal scale which is used to demonstrate the Likert scale in questions such as employees' satisfaction with income level, satisfaction of take-home pay, satisfaction of steady employment, satisfaction of working hours, satisfaction of leave policies and satisfaction of work status (Brown, 2011).

Variable	Measure	Operationalization
<i>Dependent Variable</i>		
Job satisfaction	Ordinal	How satisfied are you with working in public sector?
<i>Independent Variables</i>		
1. Income Level	Ordinal	What is your total annual income from this job, including overtime and bonuses?
2. Satisfaction of take-home pay	Ordinal	How satisfied are you with your take-home pay?
3. Satisfaction of Steady Employment	Ordinal	The way my job in the public sector provides for steady employment
4. Satisfaction of working hours	Ordinal	How satisfied are you with working hours?
5. Satisfaction of leave policies	Ordinal	How satisfied are you with leave policies?
6. Satisfaction of work status	Ordinal	How satisfied are you with the status you get with working in government?
Demographic Controls		
	Measures	Operationalization
Age	Ordinal	What is your age?
Sex	Nominal	What is your sex?
Marital status	Nominal	What is your marital status?
Number of children	Ordinal	How many children under the age of 21 do you have?

5.5 Data Analyses

For this purpose, this study followed descriptive statistics targeting the public sector in Egypt. The study has considered variances in age, gender, income, marital status, and number of children per person.

The research study used multiple methods in order to analyze the data which are Chi-Square test, Spearman Correlation test and Ordinal Logistics Regression. The tests examine the relationship between the dependent variable which is job satisfaction and the six independent variables which are income level, satisfaction of financial compensations, satisfaction of steady employment, satisfaction of convenient working hours, satisfaction of leave policies, and satisfaction of work status. The study can simplify the independent variable by (X) and the dependent variables by (Y). The Chi-Square test and Spearman Correlation test will be used in order to measure the variance, which the independent variables impact job satisfaction.

The below table highlights the six independent factors (Y) and their impact on the dependent factor (X);

Independent Variables (X)	Dependent Variable (Y)
Income Level	Job Satisfaction
Satisfaction of Take-Home Pay	
Satisfaction of Steady Employment	
Satisfaction of Convenient working hours	
Satisfaction of Leave policies	
Satisfaction of Work status	

Table 1: Independent Variables (X) VS. Dependent Variable (Y)

First, the Chi-Square test is going to test if the independent variables affect the dependent variable or not. Second, the Asymptotic Significance reveals the significant correlation between the independent variables and the dependent variable. The Asymptotic Significance must be less than 0.05 in order to represent a significant correlation. However, if the asymptotic significance is higher than 0.05, the null hypothesis will be accepted. Second, Spearman Correlation value represents the type of relationship between the variable. The positive value means the same relationship if one increases, the other one increase, and vice versa. The negative value means the opposite relationship means if one increase, the other decrease, and vice versa. Third, the value ratio represents the degree of the correlation between the variables. If the value ratio is less than 0.5, this means that there is a weak

correlation. If the ratio is from 0.5 to 0.8, it represents a medium correlation and if it is higher than 0.8, it represents a strong correlation. The below points examine the correlation between each of the independent variables with the dependent variable.

In addition, Ordinal Logistics Regression is used to determine the relationship between the dependent variable and the various independent variables while holding other variables constant. The test examines the degree of change that each independent variable cause to job satisfaction.

5.6 Validity

The conceptual model in this research study has adopted the Maslow's Hierarchy of Needs Theory which is one of the valid theories. This reveals the validity of the theory.

5.7 Reliability

It has been indicated in Cavana's (2001) article that conducting a pilot study is essential before performing the original questionnaire (Cavana et al, 2001, p.324). It has been clarified by Cavana that reliability ensures the accurate measurement which no chance of error. It has been indicated that the optimal pilot sample should be from 15 to 30 respondents and should be conducted on the same sample population. Therefore, a sample of 20 participants of the public sector employees has been chosen to participate in the pilot study (Cavana et al, 2001, p.324).

SPSS software has been used to analyze the data reliability. The reliability of the data has been measured through Cronbach's alpha methodology. The variables which are less than 0.60 have poor reliability, variables of 0.7 are acceptable, and variables of 0.8 are considered strong (Cavana 2001, p.324).

Variables	Cronbach's Alpha
Financial Compensations	.908
Steady Employment	.909
Convenient working hours	.907

Leave policies	.909
Work status	.900

Table 2-Cronbach's Alpha

The above table determines the reliability of the variables through Cronbach's Alpha test. The test determines the consistency of each variable. This means that the respondents have agreed on the effectiveness of the measured variables. Moreover, the table shows that the reliability is above 0.8 which means that all the measured variables have strong reliability.

5.8 Ethical issues

The survey questions attempt to not identifying the participants' personal information including names, addresses, phone numbers or emails in order to keep the data anonymous. Participation in the survey was voluntary and all the participants have the right to refuse to participate in the survey without any harm.

5.9 Statistical Treatment

5.9.1 Descriptive Analysis

The descriptive analysis has been used in this research study in order to determine the effects of specific variables on employees' satisfaction in the public sector.

5.9.2 Inferential Statistics

This study has used the Choi-Square test in order to analyze the correlation between the variables which is represented in chapter six.

Chapter 6: Findings and Analysis

6.1 Introduction

This chapter covers data analysis of the impact of financial compensations on the employee’s satisfaction in the public sector. This will be clarified through questionnaire response frequencies, and descriptive as well as analytical statistics. First, the research study demonstrates the respondent’s demographic profile of 450 respondents, which were identified through the questionnaire and conducted during September 2019. Four hundred and fifty respondents were deemed statistically significant for this study.

6.2 Sample demographic profile:

The descriptive statistics were targeting a specific sector of the population which are the government employees working in the public sector in Egypt. The descriptive statistics attempt to highlight and analyze data about the respondent demographics such as age, gender, income, marital status and number of children.

The following table shows the variation in the age of the respondents’ sample. The table demonstrates that the highest percentage of the population falls in the age category from 35 to 44 years old. The table shows that 37.7% (169 of the respondents) are in the age bracket 35 to 44 years old. In the second place comes the age range of 21 to 34 years old, which is 34% (153) of the respondents. Moreover, 21.1% of the population (91) respondents are in the age category of 45 to 54 years old, while only 6.9% of the population (31) respondents are 55 years and older.

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		2	.4	.4	.4
	21 to 34	153	34.0	34.0	34.4
	35 to 44	169	37.6	37.6	72.0

	45 to 54	95	21.1	21.1	93.1
	55 or older	31	6.9	6.9	100.0
	Total	450	100.0	100.0	

Table 3- Age

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid					
	Female	217	49.1	49.1	49.1
	Male	225	50.9	50.9	50.9
	Total	450	100.0	100.0	

Table 4- Sex

The above table shows the gender percentage between males and females in the selected population. The percentage of females to males was almost equal. As the pie charts show below that 49.1% of the respondents of the sample were female, and 50.9% of the sample respondent's male.

Marital status

According to the below table, it has been indicated that a high percentage of the respondents of the sample are married. The percentage of the married respondents of the sample is 67.5%, while only 32.5% of the respondents of the sample were unmarried.

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	.2	.2	.2
	Married	303	67.5	67.5	67.6
	Unmarried	146	32.5	32.5	100.0

	Total	450	100.0	100.0	
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Table 5- Marital Status

Number of the children

The below table explains the number of children per respondent. The percentage of respondents who have no children is high, as it has clarified in the table that 198 or 44% of the respondents of the sample were having no children. However, it has clarified earlier that 146 of the respondents were unmarried. Therefore, only 52 respondents of the married population are not having any children. Moreover, the second highest percentage of the respondents, 38.2% or 172 respondents, were having from 1-2 children. In addition, 15.8% or 71 respondents were having 3-4 children and only 2% or 9 respondents were seen having a high number of children, which are 5 or more children.

Number of children under the age of 21

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2	172	38.2	38.2	38.2
	3-4	71	15.8	15.8	54.0
	5 or more	9	2.0	2.0	56.0
	None	198	44.0	44.0	100.0
	Total	450	100.0	100.0	

Table 6- Number of Children

Income

What is your total annual income from this job, including overtime and bonuses?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than L.E 20,000	8	1.8	1.8	100.0
	L.E 20,000 to less than L.E 30,000	61	13.6	13.6	13.6
	L.E 30,000 to less than L.E 40,000	149	33.1	33.1	46.7

L.E 40,000 to less than L.E 50,000	155	34.4	34.4	81.1
L.E 50,000 to less than L.E 75,000	61	13.6	13.6	94.7
L.E 75,000 or more	16	3.6	3.6	98.2
Total	450	100.0	100.0	

Table 7- Total Annual Income

The above table shows that most of the respondents (304 individuals) 67.5% fall into two annual income categories between 30,000 to 50,000 LE. 61 respondents or 13.6% are falling in the income category level between 50,000 to 75,000 and only 16 respondents or 3.6% are falling in the income category level of 75,000 or more.

6.3 Descriptive Statistics:

In this section, the data will show frequencies and statistics of the respondents for survey questions. The first section in the survey is measuring the respondents' satisfaction with their compensation packages by asking the respondents to rate their satisfaction level on 5 different scales from extremely satisfied to not satisfied. The second section in the survey is measuring employees' overall satisfaction with the overall package and turnover rate.

6.3.1. Pay Structure: the first variable is "pay structure" which is considered as an independent variable. The first three questions in the survey measure the respondents' satisfaction level with take-home pay, a benefits package, and overall pay structure.

Satisfaction of take-home pay

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely satisfied	5	1.1	1.1	1.1
	Very Satisfied	34	7.6	7.6	100
	Satisfied	87	19.3	19.3	55.1
	Somewhat Satisfied	168	37.3	37.3	92.4
	Not Satisfied	156	34.7	34.7	35.8

	Total	450	100	100	
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Table 8- Satisfaction of Take-Home Pay

The above table shows that most of the respondents are showing low or no satisfaction with their take-home pay. The above table clarifies that 34.7% or 156 of the respondents show no satisfaction with their take-home pay. Moreover, 168 respondents and 37.3% are somewhat satisfied with their take-home pay, while only 1.1% or 5 respondents are extremely satisfied with their take-home pay and only 34 respondents or 7.6% are very satisfied with their take-home pay.

6.3.2 Steady Employment

The second variable is “Steady Employment” which is measured as another independent variable that may/ may not affect employees’ satisfaction in the public sector.

Satisfaction of your steady employment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely satisfied	26	5.8	5.8	5.8
	Very satisfied	122	27.1	27.1	100
	Satisfied	197	43.8	43.8	57.3
	Somewhat Satisfied	70	15.6	15.6	72.9
	Not Satisfied	35	7.8	7.8	13.6
	Total	450	100	100	

Table 9- Steady employment

The above table reveals that a great percentage of the employees are satisfied with the way their job provides for steady employment. The table shows that 43.8% or 197 respondents agree and are satisfied that their job provides for steady employment. Moreover, 27.1% or 122 respondents are very satisfied with the provision of steady employment in their job, and 5.8% or 26 of the respondents are extremely satisfied from this manner. In contrast, only a few numbers of the respondents 7.8% or 35 respondents are not satisfied with the way their job provides for steady employment.

6.3.3 Working Hours

The third variable is working hours, which is tested as an independent variable.

Satisfaction of the working hours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		2	0.4	0.4	0.4
	Extremely Satisfied	22	4.9	4.9	5.3
	Very Satisfied	144	32	32	100
	Satisfied	155	34.4	34.4	51.6
	Somewhat Satisfied	74	16.4	16.4	68
	Not Satisfied	53	11.8	11.8	17.1
	Total	450	100	100	

Table 10-Working Hours

The above table demonstrates how employees are satisfied with the working hours of their job. A high number of the employees expressed their high satisfaction with the working hours in their jobs. The table shows that 34.4% or 155 respondents are satisfied with the working hours, and 36.9% or 166 respondents reported their high or even extreme

satisfaction of the working hours in their job versus 11.8% or 53 respondents who reported their dissatisfaction of the working hours.

6.3.4 Leave Policies

The fourth variable is the leave policies, which is tested as an independent variable.

Satisfaction of the leave policies

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	.4	.4	.4
Extremely Satisfied	39	8.7	8.7	9.1
Not Satisfied	56	12.4	12.4	21.6
Satisfied	170	37.8	37.8	59.3
Somewhat Satisfied	77	17.1	17.1	76.4
Very Satisfied	106	23.6	23.6	100.0
Total	450	100.0	100.0	

Table 11-Leave Policies

The above table clarifies the satisfaction of the employees with their leave policies. The table reflects that 37.8% or 170 respondents were satisfied with the leave policies, and 23.6% or 106 respondents are very satisfied, and 8.7% or 39 respondents are extremely satisfied with the leave policies in their job. In contrast, a few of the respondents represent their dissatisfaction of the leave policies, which are 12.4% or 56 respondents.

6.3.5 Work Status

The fifth variable is status, which is tested as an independent variable.

Satisfaction of the work status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	0.2	0.2	0.2
	Extremely Satisfied	16	3.6	3.6	3.8
	Very Satisfied	64	14.2	14.2	100
	Satisfied	169	37.6	37.6	53.3
	Somewhat Satisfied	146	32.4	32.4	85.8
	Not Satisfied	54	12	12	15.8
	Total	450	100	100	

Table 12-Status

The above table reflects the satisfaction of the respondents with the status they derive from their job in the public sector. It has been clarified that a high percentage of the respondents are satisfied with the status of working in the public sector. The table shows that 37.6% or 169 respondents are satisfied with the status of working in the public sector, and 17.8% or 80 respondents are very satisfied or even extremely satisfied with their status in the public sector. Only a few percentages of the sample population 12% or 54 respondents are not satisfied with the status they get from working in the public sector.

6.4 Inferential Statistics: Analysis of Hypotheses

6.4.1. Chi-Square Test and Spearman Correlation Test

a. H1: Employees who are receiving higher salaries are satisfied with their work.

q12 What is your total annual income from this job, including overtime and bonuses? *

Q5 How satisfied are you with working in public sector?

			Q5 How satisfied are you with working in public sector?					Total
			1 Not Satisfied	2 Somewhat Satisfied	3 Satisfied	4 Very satisfied	5 Extremely satisfied	
q12 What is your total annual income from this job, including overtime and bonuses?	1 Less than L.E 20,000	Count	2	1	4	1	0	8
		% within q12 What is your total annual income from this job, including overtime and bonuses?	25.0%	12.5%	50.0%	12.5%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	3.3%	0.8%	2.4%	1.3%	0.0%	1.8%
	2 L.E 20,000 to less than L.E30,000	Count	12	24	19	6	0	61
		% within q12 What is your total annual income from this job, including overtime and bonuses?	19.7%	39.3%	31.1%	9.8%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	20.0%	18.5%	11.3%	7.6%	0.0%	13.6%
	3 L.E 30,000 to less than L.E 40,000	Count	22	54	40	27	5	148
		% within q12 What is your total annual income from this job, including overtime and bonuses?	14.9%	36.5%	27.0%	18.2%	3.4%	100.0%
		% within Q5 How satisfied are you with working in public sector?	36.7%	41.5%	23.8%	34.2%	41.7%	33.0%

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	4 L.E 40,000 to less than L.E 50,000	Count	22	36	65	28	4	155
		% within q12 What is your total annual income from this job, including overtime and bonuses?	14.2%	23.2%	41.9%	18.1%	2.6%	100.0%
		% within Q5 How satisfied are you with working in public sector?	36.7%	27.7%	38.7%	35.4%	33.3%	34.5%
	5 L.E 50,000 to less than L.E75,000	Count	2	14	32	12	1	61
		% within q12 What is your total annual income from this job, including overtime and bonuses?	3.3%	23.0%	52.5%	19.7%	1.6%	100.0%
		% within Q5 How satisfied are you with working in public sector?	3.3%	10.8%	19.0%	15.2%	8.3%	13.6%
	6 L.E 75,000 or more	Count	0	1	8	5	2	16
		% within q12 What is your total annual income from this job, including overtime and bonuses?	0.0%	6.3%	50.0%	31.3%	12.5%	100.0%
		% within Q5 How satisfied are you with working in public sector?	0.0%	0.8%	4.8%	6.3%	16.7%	3.6%
Total	Count	60	130	168	79	12	449	
	% within q12 What is your total annual income from this job, including overtime and bonuses?	13.4%	29.0%	37.4%	17.6%	2.7%	100.0%	

	% within Q5 How satisfied are you with working in public sector?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
				%		%	%

Table 13- Correlation between employees' satisfaction of working in public sector and their total annual level

The above table shows the correlation between income level and employees' satisfaction of working in the public sector. The table shows that when the employees' income level increases, the employees' satisfaction with working in the public sector in general increases.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	43.741 ^a	20	.002
Likelihood Ratio	47.946	20	.000
Linear-by-Linear Association	21.298	1	.000
N of Valid Cases	449		

Table 14- Chi-Square Test of the Correlation between employees' satisfaction of working in public sector and their total annual level

The above table uses the Chi-Square test in order to investigate if there is a correlation between the higher compensation packages and employees' higher job satisfaction. The table shows that the significance is 0.002 which is below 0.05 and this reveals that there is a relationship between the two variables.

Symmetric Measures

	Value	Asymptotic Standardized Error^a	Approximate T^b	Approximate Significance

Interval	by	Pearson's R	.218	.043	4.723	.000 ^c
Interval						
Ordinal	by	Spearman	.215	.044	4.653	.000 ^c
Ordinal		Correlation				
N of Valid Cases			449			

Table 15- Symmetric Measures of the Correlation between employees' satisfaction of working in public sector and their total annual level

The spearman correlation test will be used to investigate the correlation type between the two variables. The positive value ratio represents a positive correlation between the variable; so, the increase in the compensation package will reflect an increase in employees' job satisfaction. However, this is considered a weak correlation as the value is below 0.5. Therefore, the test reveals that the increase in the compensation packages will not definitely reflect with an increase in employees' job satisfaction.

b. H2: Employees who are **satisfied with their take-home pay** are satisfied with their work

The correlation between the satisfaction of monetary compensation and the satisfaction of working in the public sector is measured by measuring three types of correlations.

Q1 How satisfied are you with your take home pay? * Q5 How satisfied are you with working in public sector?

					Q5 How satisfied are you with working in public sector?					Total
					1 Satisfied	2 Somewhat Satisfied	3 Satisfied	4 Very satisfied	5 Extremely satisfied	
Q1 How satisfied are you with your take home pay?	1 Not Satisfied	Count	56	58	35	6	1	156		
		% within Q1 How satisfied are you with your take home pay?	35.9%	37.2%	22.4%	3.8%	0.6%	100.0%		
		% within Q5 How satisfied are you with working in public sector?	93.3%	44.6%	20.8%	7.6%	8.3%	34.7%		
	2 Somewhat Satisfied	Count	4	60	83	18	2	167		
		% within Q1 How satisfied are you with your take home pay?	2.4%	35.9%	49.7%	10.8%	1.2%	100.0%		
		% within Q5 How satisfied are you with working in public sector?	6.7%	46.2%	49.4%	22.8%	16.7%	37.2%		
	3 Satisfied	Count	0	10	35	41	1	87		
		% within Q1 How satisfied are you with your take home pay?	0.0%	11.5%	40.2%	47.1%	1.1%	100.0%		

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		% within Q5 How satisfied are you with working in public sector?	0.0%	7.7%	20.8%	51.9%	8.3%	19.4%
4 Very satisfied		Count	0	1	14	13	6	34
		% within Q1 How satisfied are you with your take home pay?	0.0%	2.9%	41.2%	38.2%	17.6%	100.0%
		% within Q5 How satisfied are you with working in public sector?	0.0%	0.8%	8.3%	16.5%	50.0%	7.6%
5 Extremely satisfied		Count	0	1	1	1	2	5
		% within Q1 How satisfied are you with your take home pay?	0.0%	20.0%	20.0%	20.0%	40.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	0.0%	0.8%	0.6%	1.3%	16.7%	1.1%
Total		Count	60	130	168	79	12	449
		% within Q1 How satisfied are you with your take home pay?	13.4%	29.0%	37.4%	17.6%	2.7%	100.0%

% within Q5 How satisfied are you with working in public sector?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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Table 16- Correlation between take home pay and employees' satisfaction of working in public sector

The above table shows the correlation between the satisfaction of financial compensations and the satisfaction of working in the public sector. The table shows that when the satisfaction of take-home pay increases, the employees' satisfaction with working in the public sector increases.

The below table shows the Chi-Square Asymptotic significance equals 0.00 which is less than 0.05. This means that there is a relationship between the employees' satisfaction of take-home pay and working in the public sector. This indicates that if the employees' take-home pay increased, their satisfaction with working in the public sector will increase.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	263.316 ^a	16	.000
Likelihood Ratio	236.930	16	.000
Linear-by-Linear Association	158.778	1	.000
N of Valid Cases	449		

Pearson Chi-Square	263.316 ^a	16	.000
Likelihood Ratio	236.930	16	.000
Linear-by-Linear Association	158.778	1	.000
N of Valid Cases	449		

Table 17- Chi-Square Tests of the Correlation between take home pay satisfaction and employees' satisfaction of working in public sector

Symmetric Measures

		Value	Asymptotic Standardized Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	Pearson's R	.595	.033	15.665	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.603	.032	15.975	.000 ^c
N of Valid Cases		449			

Table 18- Symmetric Measures of the Correlation between take home pay satisfaction and employees' satisfaction of working in public sector

The above table defines that there is a relationship between the two measured variables as it shows the Spearman Correlation approximate significance equals 0.00 which is less than 0.05. Therefore, there is a relationship proven between the satisfaction of take-home pay and working in the public sector. This indicates that employees' satisfaction with their take-home pay is connected to their satisfaction with working in the public sector.

The Spearman Correlation value also indicates the type of relationship which is a positive value. This means that the increase in satisfaction with the home-take pay represent an increase with the satisfaction of working in the public sector. The above table shows that the value is equal to 0.603 which represents a medium relationship between the measured variables.

Another correlation has been measured to investigate the relationship between the compensation package and job satisfaction. The following test will measure if there is a relationship between higher compensation packages and job satisfaction. This will be examined by determining the correlation between the two following questions.

between the two variables as the value is equal to 0.379 and below 0.5.

c. H3: Employees who are **satisfied with their steady employment** are satisfied with their work

The correlation between the satisfaction of steady employment and the satisfaction of working in the public sector is measured by defining the correlation between the following survey questions.

Q4 The way my job in public sector provides for steady employment * Q5 How satisfied

Crosstab

	Q5 How satisfied are you with working in public sector?	Total
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are you with working in public sector?

			1	2	3	4	5	
			Not Satisfied	Somewhat Satisfied	Satisfied	Very satisfied	Extremely satisfied	
Q4 The way my job in public sector provides for steady employment	1 Not Satisfied	Count	26	8	1	0	0	35
		% within Q4 The way my job in public sector provides for steady employment	74.3%	22.9%	2.9%	0.0%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	43.3%	6.2%	0.6%	0.0%	0.0%	7.8%
	2 Somewhat Satisfied	Count	13	26	20	11	0	70
		% within Q4 The way my job in public sector provides for steady employment	18.6%	37.1%	28.6%	15.7%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	21.7%	20.0%	11.9%	13.9%	0.0%	15.6%
	3 Satisfied	Count	15	70	76	34	1	196
		% within Q4 The way my job in public sector provides for steady employment	7.7%	35.7%	38.8%	17.3%	0.5%	100.0%

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		% within Q5 How satisfied are you with working in public sector?	25.0%	53.8%	45.2%	43.0%	8.3%	43.7%
4 Very satisfied		Count	6	22	64	25	5	122
		% within Q4 The way my job in public sector provides for steady employment	4.9%	18.0%	52.5%	20.5%	4.1%	100.0%
		% within Q5 How satisfied are you with working in public sector?	10.0%	16.9%	38.1%	31.6%	41.7%	27.2%
5 Extremely satisfied		Count	0	4	7	9	6	26
		% within Q4 The way my job in public sector provides for steady employment	0.0%	15.4%	26.9%	34.6%	23.1%	100.0%
		% within Q5 How satisfied are you with working in public sector?	0.0%	3.1%	4.2%	11.4%	50.0%	5.8%
Total		Count	60	130	168	79	12	449
		% within Q4 The way my job in public sector provides for steady employment	13.4%	29.0%	37.4%	17.6%	2.7%	100.0%

% within Q5 How satisfied are you with working in public sector?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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Table 19- Correlation between employees' satisfaction of their steady employment and their satisfaction of working in public sector

The above table shows that there is a correlation between employees' satisfaction with their steady employment and their satisfaction with working in public sector. This shows that when employees are more satisfied with their steady employment, they will be more satisfied with their work in the public sector.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	204.955 ^a	16	.000
Likelihood Ratio	153.023	16	.000
Linear-by-Linear Association	98.794	1	.000
N of Valid Cases	449		

Table 20- Chi-Square Tests of the Correlation between employees' satisfaction of their steady employment and their satisfaction of working in public sector

The above table shows the Pearson Chi-Square Asymptotic significance equals 0.00 which is less than 0.05. Therefore, there is a relationship between the employees' satisfaction with steady employment and working in the public sector.

Symmetric Measures

		Value	Asymptotic Standardized Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	Pearson's R	.470	.040	11.246	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.419	.043	9.770	.000 ^c
N of Valid Cases		449			

Table 21- Symmetric Measures of the Correlation between employees' satisfaction of their steady employment and their satisfaction of working in public sector

The above table demonstrates that there is a connection between the two measured variables. The table reveals the Spearman Correlation approximate significance equals 0.00 which is less than 0.05. Therefore, there is a relationship proven between the satisfaction with steady employment and working in the public sector. Moreover, the Spearman Correlation value indicates the type of relationship. The positive value in the Spearman Correlation represents the positive relationship between the measured values. Therefore, the increase in one will reflect an increase in the other and vice versa. The Spearman Correlation value is equal to 0.419 which signifies a weak correlation between the measured variables.

d. H4: Employees who are **satisfied with their working hours** are satisfied with their work

The relationship between the convenient working hours and the satisfaction of working in the public sector is measured through defining the correlation between the following survey questions.

Q6 How satisfied are you with working hours? * Q5 How satisfied are you with working in public sector?

Crosstab

			Q5 How satisfied are you with working in public sector?					Total
			1 Not Satisfied	2 Somewhat Satisfied	3 Satisfied	4 Very satisfied	5 Extremely satisfied	
Q6 How satisfied are you with working hours?	1 Not Satisfied	Count	34	5	7	7	0	53
		% within Q6 How satisfied are you with working hours?	64.2%	9.4%	13.2%	13.2%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	56.7%	3.8%	4.2%	8.9%	0.0%	11.9%
	2 Somewhat Satisfied	Count	17	17	21	19	0	74
		% within Q6 How satisfied are you with working hours?	23.0%	23.0%	28.4%	25.7%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	28.3%	13.1%	12.7%	24.1%	0.0%	16.6%
	3 Satisfied	Count	9	70	60	15	0	154
		% within Q6 How satisfied are you with working hours?	5.8%	45.5%	39.0%	9.7%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	15.0%	53.8%	36.1%	19.0%	0.0%	34.5%

4 Very satisfied	Count	0	36	75	30	3	144
	% within Q6 How satisfied are you with working hours?	0.0%	25.0%	52.1%	20.8%	2.1%	100.0%
	% within Q5 How satisfied are you with working in public sector?	0.0%	27.7%	45.2%	38.0%	25.0%	32.2%
5 Extremely satisfied	Count	0	2	3	8	9	22
	% within Q6 How satisfied are you with working hours?	0.0%	9.1%	13.6%	36.4%	40.9%	100.0%
	% within Q5 How satisfied are you with working in public sector?	0.0%	1.5%	1.8%	10.1%	75.0%	4.9%
Total	Count	60	130	166	79	12	447
	% within Q6 How satisfied are you with working hours?	13.4%	29.1%	37.1%	17.7%	2.7%	100.0%
	% within Q5 How satisfied are you with working in public sector?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 22- Correlation between employees' satisfaction of their working hours and their satisfaction of their overall satisfaction of their work

The above table shows the correlation between employees' satisfaction with their working hours and their satisfaction with their working in the public sector. The table shows that when employees are more satisfied with their working hours, their satisfaction of working in the public sector in general increases, respectively.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	324.710 ^a	16	.000
Likelihood Ratio	223.248	16	.000
Linear-by-Linear Association	88.429	1	.000
N of Valid Cases	447		

Table 23- Chi-Square Tests of the Correlation between employees' satisfaction of their working hours and their satisfaction of their overall satisfaction of their work

According to the above table, the relationship between the satisfaction of the working hours and the satisfaction of working in the public sector is tested by the Pearson Chi-Square Asymptotic significance ratio which is equal to 0.00 and less than 0.05. Therefore, the test proves that there is a relationship between the variables.

Symmetric Measures

		Value	Asymptotic Standardized Error^a	Approximate T^b	Approximate Significance
Interval by Interval	Pearson's R	.445	.045	10.490	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.396	.047	9.108	.000 ^c
N of Valid Cases		447			

Table 24- Symmetric Measures of the Correlation between employees' satisfaction of their working hours and their satisfaction of their overall satisfaction of their work

The above table shows the Spearman Correlation significance also assured the correlation between the variables. The above used the spearman correlation value in order to test the type of relationship that exists between the variables. The positive value identifies that there is a positive correlation between the variables which means that the increase in the satisfaction with the working hours will reflect an increase in the satisfaction with the work in the public sector. However, the spearman correlation is 0.396 which is less than 0.5 and this reflects a weak relationship between the variables.

e. H5: Employees who are **satisfied with leave policies** are satisfied with their work

The leave policies and the satisfaction of working in the public sector correlation is measured by using the correlation between the following survey questions.

Q7 How satisfied are you with leave policies? * Q5 How satisfied are you with working in public sector?

Crosstab

			Q5 How satisfied are you with working in public sector?					Total
			1 Not Satisfied	2 Some what Satisfied	3 Satisfied	4 Very satisfied	5 Extremely satisfied	
Q7 How satisfied are you with leave policies?	1 Not Satisfied	Count	30	9	14	3	0	56
		% within Q7 How satisfied are you with leave policies?	53.6%	16.1%	25.0%	5.4%	0.0%	100.0%

		% within Q5 How satisfied are you with working in public sector?	50.8%	7.0%	8.3%	3.8%	0.0%	12.5%
2	Count		17	20	19	21	0	77
Somewhat Satisfied		% within Q7 How satisfied are you with leave policies?	22.1%	26.0%	24.7%	27.3%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	28.8%	15.5%	11.3%	26.6%	0.0%	17.2%
3	Count		11	76	61	20	1	169
Satisfied		% within Q7 How satisfied are you with leave policies?	6.5%	45.0%	36.1%	11.8%	0.6%	100.0%
		% within Q5 How satisfied are you with working in public sector?	18.6%	58.9%	36.3%	25.3%	8.3%	37.8%
4 Very satisfied	Count		1	23	59	19	4	106
		% within Q7 How satisfied are you with leave policies?	0.9%	21.7%	55.7%	17.9%	3.8%	100.0%
		% within Q5 How satisfied are you with working in public sector?	1.7%	17.8%	35.1%	24.1%	33.3%	23.7%
5	Count		0	1	15	16	7	39

	Extremely satisfied	% within Q7 How satisfied are you with leave policies?	0.0%	2.6%	38.5%	41.0%	17.9%	100.0%
		% within Q5 How satisfied are you with working in public sector?	0.0%	0.8%	8.9%	20.3%	58.3%	8.7%
Total	Count		59	129	168	79	12	447
	% within Q7 How satisfied are you with leave policies?		13.2%	28.9%	37.6%	17.7%	2.7%	100.0%
	% within Q5 How satisfied are you with working in public sector?		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 25- Correlation between employees' satisfaction of the leave polices and their satisfaction of the working in the public sector

The above table shows the correlation between employees' satisfaction with the leave policies and their satisfaction with working in the public sector. The table shows that there is a positive relationship between employees' satisfaction with the leave policies and their overall satisfaction with working in the public sector.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	206.377 ^a	16	.000
Likelihood Ratio	178.920	16	.000
Linear-by-Linear Association	88.723	1	.000

N of Valid Cases	447		
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Table 26- Chi-Square Test of the Correlation between employees' satisfaction of the leave polices and their satisfaction of the working in the public sector

First, the Chi-Square test is used to determine if there is a correlation between the variables. According to the above table, the asymptotic significance is equal to 0.000 which is below 0.05 and this assures that there is a correlation between the measured variables.

Symmetric Measures

		Value	Asymptotic Standardized Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	Pearson's R	.446	.041	10.512	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.407	.044	9.412	.000 ^c
N of Valid Cases		447			

Table 27- Symmetric Measure of the Correlation between employees' satisfaction of the leave polices and their satisfaction of the working in the public sector

The Spearman Correlation test has been used in the above table in order to highlight the type of correlation that the significance has assured. The Spearman correlation value is a positive value, which means that a positive correlation exists between the leave policies and employees' satisfaction with the working hours. Moreover, the Spearman correlation value equals 0.407 which is below 0.5. This demonstrates that the correlation between the variables is weak.

F:H6: Employees who are **satisfied with their work status** are satisfied with their work

The last independent variable that has been tested to examine is the effect on the dependent variable is status. The correlation between the two variables has been measured through the following survey questions.

Q9 How satisfied are you with the status you get with working in government? * Q5 How satisfied are you with working in public sector?

Crosstab

			Q5 How satisfied are you with working in public sector?					
			1 Not Satisfied	2 Somewhat Satisfied	3 Satisfied	4 Very satisfied	5 Extremely satisfied	Total
Q9 How satisfied are you with the status you get with working in government?	1 Not Satisfied	Count	41	12	1	0	0	54
		% within Q9 How satisfied are you with the status you get with working in government?	75.9%	22.2%	1.9%	0.0%	0.0%	100.0%
		% within Q5 How satisfied are you with working in public sector?	68.3%	9.3%	0.6%	0.0%	0.0%	12.1%
	2 Somewhat Satisfied	Count	18	63	49	15	1	146
	% within Q9 How satisfied are you with the status you get with working in government?	12.3%	43.2%	33.6%	10.3%	0.7%	100.0%	

		% within Q5 How satisfied are you with working in public sector?	30.0%	48.8%	29.2%	19.0%	8.3%	32.6%
	3 Satisfied	Count	1	50	80	36	1	168
		% within Q9 How satisfied are you with the status you get with working in government?	0.6%	29.8%	47.6%	21.4%	0.6%	100.0%
		% within Q5 How satisfied are you with working in public sector?	1.7%	38.8%	47.6%	45.6%	8.3%	37.5%
	4 Very satisfied	Count	0	3	33	24	4	64
		% within Q9 How satisfied are you with the status you get with working in government?	0.0%	4.7%	51.6%	37.5%	6.3%	100.0%
		% within Q5 How satisfied are you with working in public sector?	0.0%	2.3%	19.6%	30.4%	33.3%	14.3%
	5 Extremely satisfied	Count	0	1	5	4	6	16
		% within Q9 How satisfied are you with the status you get with working in government?	0.0%	6.3%	31.3%	25.0%	37.5%	100.0%
		% within Q5 How satisfied are you with working in public sector?	0.0%	0.8%	3.0%	5.1%	50.0%	3.6%
Total		Count	60	129	168	79	12	448

	% within Q9 How satisfied are you with the status you get with working in government?	13.4%	28.8%	37.5%	17.6%	2.7%	100.0%
	% within Q5 How satisfied are you with working in public sector?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 28-Correlation between the employees' satisfaction of the status they get from their work and overall job satisfaction

The above table shows that there is a correlation between the employees' satisfaction with the status they get from working in the public sector and their overall satisfaction of working in the public sector. The table indicates that when employees are more satisfied with the status, they get from working in the public sector, their satisfaction with working in the public sector increases as well.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	355.143 ^a	16	.000
Likelihood Ratio	277.247	16	.000
Linear-by-Linear Association	176.771	1	.000
N of Valid Cases	448		

Table 29-Chi-Square Test of the Correlation between the employees' satisfaction of the status they get from their work and overall job satisfaction

The Chi-Square test is used in order to examine if there is a correlation between the two variables. The above table shows that the significance is 0.00 which confirms that there is a correlation between the variables.

Symmetric Measures

			Value	Asymptotic Standardized Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	by	Pearson's R	.629	.030	17.081	.000 ^c
Ordinal by Ordinal	by	Spearman Correlation	.603	.033	15.981	.000 ^c
N of Valid Cases			448			

Table 30-Symmetric Measures of the Correlation between the employees' satisfaction of the status they get from their work and overall job satisfaction

The Spearman correlation test was used to further highlight the type of the correlation exists between the measured variables. According to the above table, the Spearman Correlation value is a positive ratio that reflects a positive relationship. This implies that the increase in the satisfaction of the status of working in the public sector reflects on the increase in the satisfaction of working in the public sector. The Spearman Correlation equals 0.603 which signifies a medium correlation between the two variables.

The above tests investigate that there is a correlation between all the independent variables and the one variable. However, the correlation between all the independent variables and the dependent variable was a weak correlation, but it was medium correlation only with the financial compensation and status.

6.4.2 Ordinal Logistics Regression

Ordinal Logistics Regression is used in order to determine the relationship between the various independent variables to the dependent variable. The OLR enables to measure the degree of effect of each independent variable on the dependent variable. The OLR also ranks the various independent variables so it clarifies the most significant independent variable affecting the dependent variable to the least significant variable.

Case Processing Summary		
	N	Marginal Percentage

Q5 How satisfied are you with working in public sector?	1 Not Satisfied	59	13.3%
	2 Somewhat Satisfied	128	28.8%
	3 Satisfied	166	37.4%
	4 Very satisfied	79	17.8%
	5 Extremely satisfied	12	2.7%
Valid		444	100.0%
Missing		6	
Total		450	

Table 31-Dependent variable- job satisfaction

The above table is the case processing summary shows the proportion of samples fall under each degree of satisfaction of the dependent variable. The table shows that the highest percentage of the sample reported that they are satisfied with their work in the public sector 37.4 and 28.8% reported that they are somewhat satisfied with their work in the public sector. The third-highest percentage are people who reported that they are very satisfied with their work.

Parameter Estimates

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[Q5 = 1]	2.279	.403	31.938	1	.000	1.489	3.070
	[Q5 = 2]	4.776	.446	114.517	1	.000	3.901	5.650
	[Q5 = 3]	7.396	.521	201.194	1	.000	6.374	8.418
	[Q5 = 4]	10.471	.666	247.134	1	.000	9.165	11.776
Location	Satisfaction of Take-Home Pay	1.137	.130	76.907	1	.000	.883	1.391
	Satisfaction of Steady Employment	.495	.141	12.298	1	.000	.219	.772
	Satisfaction of Working Hours	-.143	.150	.905	1	.341	-.437	.151
	Satisfaction of Leave Policies	.095	.136	.489	1	.485	-.171	.361
	Satisfaction of Status	1.052	.148	50.368	1	.000	.762	1.343

Income Level	-.348-	.100	12.041	1	.001	-.545-	-.152-
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Table 32- Ordinal Logistics Regression

The above table shows the regression coefficients for each independent variable in the model. The regression coefficient reveals the predicted change that each independent variable affects the dependent variables. So, we can estimate the category of each variable according to their significance to the dependent variable holding other variables constant.

The positive estimate shows the amount of increase in the dependent variable as a result of one unit increase of each of the independent variables. However, the negative estimate shows the amount of decrease in the dependent variable as a result of an increase in each of the dependent variable. The significance should be lower than 0.05 to reveal a correlation between the variables. The positive estimate value represents a positive correlation between the variables. This means if compensations increase, the job satisfaction of employees will increase and vice versa. The negative value represents a negative correlation. This means that an increase in one variable, will reflect a decrease in the other variable and vice versa. The estimate level arranges the correlation between the variables. So the higher value represents the strongest correlation and the lowest value means the lowest correlation.

H1: Employees who are receiving higher salaries are satisfied with their work

Income level represents a significant predictor in this model as its significance is equal to 0.001. Furthermore, the income level has shown a significant negative effect on job satisfaction. This illustrates that each increase in the income level reflects a decrease of 0.348 in job satisfaction. Therefore, the first hypothesis which is employees who are receiving higher salaries are satisfied with their work has been rejected.

H2: Employees who are satisfied with their take-home pay are satisfied with their work

The satisfaction of take-home pay is considered a significant predictor in this model as its significance is equal to 0.000. Moreover, the satisfaction of Take-Home Pay is considered a significant positive predictor of job satisfaction. This could be explained as in each increase

in the satisfaction of Take-Home Pay, there is an increase of 1.137 in the overall job satisfaction. The second hypothesis has been accepted.

H3: Employees who are satisfied with their steady employment are satisfied with their work

The satisfaction of steady employment is considered a significant predictor in this model as its significance is equal to 0.000. Furthermore, the satisfaction of steady employment is considered a significant positive predictor of job satisfaction. This could be explained as in each increase in the satisfaction of steady employment, there is an increase of 0.495 in the overall job satisfaction. The third hypothesis has been accepted.

H4: Employees who are satisfied with their working hours are satisfied with their work & H5: Employees who are satisfied with leave policies are satisfied with their work

Working Hours and Leave Policies have both not considered a significant predictor in this model as their significance was 0.341 and 0.485, respectively. Therefore, the fourth and fifth hypotheses have been rejected.

H6: Employees who are satisfied with their work status are satisfied with their work

Work status is considered a significant predictor in this model as its significance is equal to 0.000. Furthermore, the satisfaction of work status has shown a significant positive effect on job satisfaction. This highlights that each increase in the satisfaction of work status, there is an increase of 1.052 in overall job satisfaction. The sixth hypothesis has been accepted.

6.5 Summary of the Analysis:

The above statistics used Chi-Square test and spearman correlation test in order to show the correlation between all the independent variables and the dependent variable. All the above-mentioned independent variables are considered factors affecting positively employees' satisfaction with working in the public sector. However, the degree of the correlation varies between each of the independent variables and the dependent variable. None of the independent variables has shown a strong correlation to the dependent variable. Only

satisfaction of take-home pay and work status has a medium correlation with the satisfaction of working in the public sector. The other four independent variables which are income level, steady employment, working hours, and leave policies reflects a weak correlation to the dependent variable. Therefore, Ordinal Logistics Regression has been used to further highlight the correlation exists between the various independent variable and job satisfaction. The OLR examines the relationship between each variable to the job satisfaction holding other variables constant. Therefore, it clarifies the exact effect of each variable excluding the effect of the other variables. The OLR defines the satisfaction of take-home pay as the most significant influencer on job satisfaction, while the income level shows a negative correlation to job satisfaction. This could be explained that people who are receiving higher salaries are less satisfied with their job. Although the satisfaction of take-home pay is a significant influencer to job satisfaction, income level does not have a positive effect on job satisfaction. This may be due that people who are receiving relatively higher salaries feel that they are more qualified and deserves a higher income. The satisfaction of take-home pay is considered one of the most significant influencers that affect employees' satisfaction in working in the public sector. Although many other independent variables play a significant role in the employees' satisfaction with their income in the public sector in Egypt, financial compensation impact cannot be denied. Moreover, it has been revealed that demographics play an effect on employee's satisfaction with their income and their desire to receive higher salaries. To sum up, the satisfaction of take-home pay is considered the most significant influencer on job satisfaction followed by work status and then steady employment, while the income level is considered a significant hypothesis affecting job satisfaction negatively.

Chapter 7: Conclusion and Recommendations

7.1 Conclusion

This study has attempted to augment previous research undertaken regarding the correlation between compensation packages and employees' satisfaction as scant research on this relationship has been conducted in the Arab World in general and Egypt in particular. This thesis attempts to shed light on the individual case of the Egyptian public sector that has rarely been empirically evaluated. The study has attempted to evaluate what the Egyptian case would particularly offer to the general population of cases across other countries. In fact, the results of this study point to the fact that satisfaction is not necessarily tied with compensations in the public sector. The former could be sufficient to a certain extent and in a given context to ensure the continuation of the company, while the latter is fundamental for the maximization of productivity. Some companies, like the Egyptian public sector, do not pay heed to higher levels of productivity and performance. Accordingly, their policies are derived and set to maintain satisfaction at the lowest costs, and they seemingly succeed in trickling this understanding into most of their employees.

This study conducted a random demographic sampling among Egyptian public sector employees, which involves structured questions to assess their satisfaction. The results are quite puzzling. Despite the low pay, the majority of the Egyptian public sector employees reported satisfaction with their work. This majority also reported their intention not to leave their work in the future as 295 out of 450 participants reported that they are willing to remain in their job until retirement and 280 reported that they are not willing to leave their job for better compensations.

The results derived from this statistical analysis contribute to the analysis of previous studies in many ways. Generally, it lends support to the scholarship that contends that other non-monetary compensations are relevant. In this study, the non-monetary compensations have an influence on encouraging employees to continue working in the Egyptian public sector, despite the low income. This study also renders support to the relativity of compensation in different contexts.

The result of this study shows that satisfaction of the job does not necessarily require employees to feel content and positive towards their job. Satisfaction is linked with a mere acceptance of their situation in the Egyptian public sector. On the one hand, the research does not test how far employees were positive or happy with their job. It tests the employee's satisfaction at a cognitive layer, not on a motivational or feeling level. Out of the four independent variables (pay, recognition, promotion opportunity, and meaningful work) that are found on the "Job Satisfaction" section at the conceptual framework, only "promotion opportunity" held significance for the Egyptian public sector, as it was included within the "job security" variable of the test. On the other hand, and despite a higher level of satisfaction among the Egyptian public sector employees, Wright's contention (2001), that public sector employees' satisfaction with their work is less than those registered in the private sector, is unproven in this study. A two-case comparison between the private and public sector companies is needed to either substantiate or otherwise the logic drawn by Wright (2001).

Among the major three mega theories, Herzberg's two-factor theory appears more relevant to the results of the research. What therefore explains the Egyptian employees' decision to continue working in the Egyptian public sector is the latter's "hygiene" factors. Egyptian public sector employees cannot be classified as wholly satisfied nor wholly dissatisfied. Yet, quite contrary to the theory, the bulk of the Egyptian public sector employees do not seek better working conditions through their needs are in fact increasing over time. In fact, the significant impact of hygienic factors in the Egyptian public sector lies at its mere presence that prevents dissatisfaction and feelings of unfairness among employees. In this respect, the Egyptian public sector employees could be classified as "not dissatisfied but not motivated". The results of the study of the Egyptian public sector employees augurs well for the argument that delinks motivation from satisfaction.

Regarding the main two components of the content theory, the result of this study of the Egyptian public sector does not contend with Maslow's model and McClelland's theory. Job security is still considered a basic element along with Maslow's model. Furthermore, job security or leave policies, though basic, seem to have a considerable impact on satisfaction, though not necessarily motivation.

With respect to McClelland's theory, the case of the Egyptian public sector shows that higher types of motives, like power and affiliation, which should trigger stronger feelings of employees' commitment and productivity to the company, was not completely tested in the case. It is expected that future Y-centered studies could be much more able to test McClelland's theory on the Egyptian public sector. An imagined case study could involve two public sector companies with varying degrees of productivity, to test whether the comparatively productive company provokes these higher levels of feelings or not.

Equity theory seems to be completely irrelevant to the case of the Egyptian public sector. The Egyptian public sector employees did not feel distinctively significant, as their commitment to the company or organization they work in has not been affected by recognition nor a sense of worth. Rather, their commitment to the company has been as a result of their satisfaction with the security of their job.

Future research could also extend the sample population. And this study did not delve too deeply into the casual relation that could unravel the psychological mechanisms behind the employee's satisfaction with their work in the Egyptian public sector. The research points towards a very important demarcation that should be made between satisfaction and performance. Future research shall discover the intersected aspects between both, without conceding on the distinctive, albeit not dichotomous, the feature of each in relation to the other.

Some questions are worth pondering. Back to Mwangi's (2014) idea of efficient pay structure that the company should design, costs and proper compensation packages are relatively low in the Egyptian public sector, yet the latter was able to entertain higher levels of retention among its employees. So, in this case, is pay irrelevant? the answer to this question lies within the correlation between satisfaction, which is rather relative, and performance, which is easily measured through various metrics, numbers, and comparisons.

This study did not focus on performance *per se*. There is a possibility that the performance of the Egyptian public sector is low, in comparison to the private sector. This could be due to the effect of low payment. Future research needs to explore the dynamics of low payment on performance. In the Egyptian public sector, it not a secret that the priority is given to keep the sector going, with much less attention on performance. The same goes for employees who seem to adopt this logic, as they prefer to continue working with less pay.

There is an even match that has been made intentionally between the Egyptian public sector and its employees; the public sector concedes on performance, while the employees ignore pay.

One factor is worth mentioning regarding this case. The Egyptian employees' mentality towards the public sector has clear roots in the culture of the 1960s when the government made a compromise with the new middle class that it had created. The compromise was that the public sector would give its employees jobs, with the lowest imaginable pay, yet with a secure future. Nasserite era in Egypt made the offer this way: jobs in exchange for being included in the system. In fact, as previous theories contend, public sector employees work with high levels of public scrutiny and they are required to work hard in a transparent manner while receiving lower wages and salaries (Benson, 2008, p.18).

Presumably, this mentality is thought to be present even before a person applies for a company or a ministry in the Egyptian public sector. In other words, the prospective employees know beforehand that they are going to attain a secured job with commensurate very low pay. Back to the research, there could be an endogeneity issue here. The employee's expectation regarding low pay was already established before applying for the job, and thus their managed expectations naturally did not propel them to change their decision at later points in time. That is why most employees did not seek a change in their job. Future research shall delicately handle this issue of endogeneity by selecting a case in which employees did not have prior expectations regarding the continuation of their low pay throughout their careers.

Again, this takes us back to question the relation between compensation package and satisfaction from one hand, and the relation between satisfaction and motivation from another. Actually, as Fogleman & McCorkle put it, compensations are a representation of motivation, performance, feedback, and satisfaction (2009, p.1). Since the culture of the Egyptian public sector does prioritize the security of the job and the continuation of the work per se, basically what it offers is compensation that is devoid of performance, feedback, and recognition. This offer is inflated with items that guarantee their works a "secured" stay.

Research at a cognitive level of analysis is needed to dig deep into the decision of employees to join and then continue working in a company with a very low pay structure. Process theory demonstrates that job satisfaction does not occur alone, because needs and

goals are attained cognitively (Mughal, 2016). In the Egyptian public sector, it seems that both cognition and goals of the employees have been fixated to what the public sector could offer. The employees' expectations do not exceed what the public sector could provide. They accepted this condition, and that could be the reason why their expectations remain fixed despite their increasing financial needs. Nevertheless, further study is needed to confirm this assumption.

At a glance, this study shows how important the individual case study is to uncovering novice aspects that could enrich the theoretical framework. However, these kinds of individual qualitative studies may provide deep insights into theories, quantitative studies are needed to spot the general trends across cases.

7.2 Recommendations

The research study indicates that job turnover is not entirely reflecting the satisfaction of employees with their financial packages. This can be seen in the low turnover rate amongst the public sector employees in Egypt, where the majority of them have expressed their willingness to keep their jobs until retirement. On the other hand, the relatively low salary of most of the public sector jobs in Egypt results in minimal satisfaction with their jobs. This will enforce these employees to seek other sources of income in conjunction with their public sector jobs. In addition, the low salaries of the public sector jobs in Egypt do not appeal to the highly qualified candidates who prefer to join the private sector. Highly qualified candidates may feel comfortable taking the risk of unsteady jobs since they are progressively able to compete in the market of the private sector.

The author of the study recommends that further statistical work be undertaken to increase the population sample size of the database. This could be undertaken on behalf of the Government of Egypt on a pro bono basis thus providing the first statistical analysis of, for example, an entire Ministry as selected by the government. This could lead to the government to either stay with current policies of low salaries but jobs for life or encourage it to seek ways to increase the salaries of the public sector while ensuring it hires suitably qualified candidates. This more detailed analysis is absolutely in line with the Government of Egypt's recent proclamation to reform the public sector. For instance, the Ministry of Education has decided to hire teachers with a minimum of a bachelor's degree where in the

past most teachers were holding educational high school diplomas. Further detailed statistical analysis, with study variables set with the Government to ascertain outputs that could be factored into public sector policy and help with the reform of the Egyptian public sector, is the key recommendation from this study. Moreover, it is recommended that the government should work on reforming the Civil Service Law to go in parallel with the inflation rate in order to enable employees to fulfill their living needs. Consequently, the public employees will not be forced to resort to a second source of income which will make jobs in the public sector come as a second priority. Furthermore, the government should increase the pay incentives that employees receive when they get further education and training in order to encourage the employees in the public sector to enhance their skills and knowledge. This will be reflected in their job performance and their quality of work. In addition, the government should also implement a pay for performance compensation system in addition to a fair and transparent rewarding system in the distribution of incentives and bonuses in order to motivate and encourage the employees to work hard.

7.3 Limitations

This study has some limitations which are presented below:

The lack of available and solid data represents a key limitation to the research study as there is no enough and clear data identifying the compensation packages of the public sector employees' in Egypt.

Access to information is also a significant limitation to this research study. During the survey stage, many public sector employees were reluctant to fill in the survey and express their views on any recorded data. Moreover, salaries and wages are one of the taboos in Egyptian culture as most of the people are uncomfortable in disclosing such information.

7.4 Future Direction

The research study is a significant topic for the field of public administration as it tackles pivotal issues regarding the public sector in Egypt. The study can be a catalyst for further studies that aim to reform the structure of salaries as well as more fundamental structures such as time spent in positions, in the public sector in Egypt. It can also give

guidance regarding the importance of financial compensation and its effect on satisfaction and retention or even further on employees' performance and productivity.

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Appendix

1. Questionnaire English Version

Documentation of Informed Consent

Project Title: Impact of Financial Compensation on Employees' Satisfaction in Public Sector

Principal Investigator: Mai El-Tahawy maihr@aucegypt.edu

You are being asked to participate in this research study. The purpose of the study is to examine the affect of financial compensations on employees' satisfaction in the public sector. The finding of the study is for presentation and publication. The expected duration in the study participation is from 8 to 12 minutes.

The research study doesn't expose the participant to any risk or discomfort.

The purpose of the study is to provide a better understanding of the effect of financial compensations on employees' satisfaction in the public sector.

All the information that you provide in this research study is anonymous.

Your participation in this research study is voluntary. All participants are free to refuse or reject participating to the research study. You have all the right to stop participating to this research study at any stage.

Variables	N.S	S.W	S	V.S	E.S
1. How satisfied are you with your take home pay?					
2. How satisfied are you with your benefits package?					
3. How satisfied are you with overall pay structure?					
4. The way my job in public sector provides for steady employment					
5. How satisfied are you with working in public sector?					
6. How satisfied are you with working hours?					
7. How satisfied are you with leave policies?					
8. How satisfied with the overall package of working in public sector?					
9. How satisfied are you with the status you get with working in government?					

N.S = Not Satisfied.

S.W = Somewhat Satisfied

S = Satisfied

V.S = Very Satisfied

E.S = Extremely Satisfied

10. How long do you plan to continue your employment at your job in public sector?

- Less than one year
- Less than 5 years
- Less than 10 years
- Indefinitely or until retirement

11. What is the most important factor for your job satisfaction?

- Pay
- Status
- Job security
- Career development
- Other
 - Identify?

12. What is your total annual income from this job, including overtime and bonuses?

- Less than L.E 20,000
- L.E 20,000 to less than L.E30,000
- L.E 30,000 to less than L.E 40,000
- L.E 40,000 to less than L.E 50,000
- L.E 50,000 to less than L.E75,000
- L.E 75,000 or more

13. Are you willing to move to another job for better compensation packages?

Yes or No

14. What is your age?

- 21 to 34
- 35 to 44
- 45 to 54
- 55 or older

15. What is your sex?

- Male
- Female

16. What is your marital status?

- Married
- Unmarried

17. How many children under the age of 21 do you have?

- None
- 1-2
- 3-4
- 5 or more

2. Questionnaire Arabic Version

تأثير الرواتب علي رضي الموظفين في القطاع العام

مي الطحاوي

الغرض من تلك البحث هو فهم تأثير الرواتب و الحوافز علي موظفين القطاع العام بصر

تلك الدراسة لا تعرضك لمخاطر او مضايقات

كل المعلومات التي يتم جمعها لهذا البحث هي سرية و مجهولة الهوية

استبيان عن مدى رضی موظفي القطاع العام بمصر عن وظائفهم

الأسئلة	غير راضٍ	راضي نوعاً ما	راضي	راضي جداً	راضي تماماً
1. ما مدى رضاك عن راتبك الصافي؟					
2. ما مدى رضاك عن حزمة المنافع الإضافية، كالتأمين الصحي وغيرها؟					
3. ما مدى رضاك عن هيكل الرواتب الإجمالي؟					
4. ما مدى رضاك عما توفره لك الوظيفة في القطاع العام من الاستقرار والضمان الوظيفي؟					
5. ما مدى رضاك عن العمل في القطاع					

					العام؟
					6. ما مدى رضاك عن ساعات العمل؟
					7. ما مدى رضاك عن نظام الأجازات؟
					8. ما مدى رضاك عن الحزمة الكلية للعمل في القطاع العام؟
					9. ما مدى رضاك عن الوضع الاجتماعي الذي تحظى به للعمل بالقطاع العام؟

10. إلى متى تنوي العمل في القطاع العام؟

- أقل من سنة واحدة
- أقل من خمس سنوات
- أقل من 10 سنوات
- إلى أجل غير مسمى أو التقاعد

11. ما هو أهم عامل في تحديد مدى رضاك عن عملك؟

- المرتب
- الوضع الاجتماعي
- الأمان الوظيفي
- توفر فرص للتقدم والتطوير الوظيفي
- أخرى (حددها)

12. كم يبلغ إجمالي راتبك السنوي، متضمناً الحوافز والمكافآت؟

- أقل من عشرين ألف جنيه مصري

- من عشرين إلى ثلاثين ألف جنيه مصري
- من ثلاثين إلى أربعين ألف جنيه مصري
- من أربعين إلى خمسين ألف جنيه مصري
- من خمسين إلى خمس وسبعين ألف جنيه مصري
- أكثر من خمس وسبعين ألف جنيه مصري

13. هل أنت على استعداد للانتقال لوظيفة جديدة خارج القطاع العام وتوفر مرتب أفضل؟

• نعم

• لا

14. ما هو عمرك؟

• من 21 إلى 34 عام

• من 35 إلى 44 عام

• من 45 إلى 54 عام

• أكبر من 55

15. النوع:

• ذكر

• أنثى

16. الحالة الاجتماعية:

• متزوج/ة

• غير متزوج/ة

17. كم عدد الأبناء أقل من عمر 21 عام؟

• لا يوجد

• 2-1

4-3 •

5 أو أكثر •

1.3 Salary Scale

Compensation of Government Employees in Egypt

Job level	Equivalent pay step	Job's monthly salary in EGP	Equivalent in USD before devaluation \$1 = 8 EGP (calculated by researcher)	Equivalent in USD after devaluation \$1 = 18 EGP (calculated by researcher)
<i>Specialized jobs:</i>				
Distinguished	Distinguished	2,065	258.13	114.72
High	High	1,415	176.88	78.61
General Manager	General Manager	1,335	166.88	74.17
First (A)	First seniority more than one year	1,195	149.38	66.39
First (B)	First seniority up to one year	1,175	146.88	65.28
Second (A)	Second seniority more than three years	1,035	129.38	57.5
Second (B)	Second seniority up to three years	1,020	127.5	56.67
Third (A)	Third seniority more than six years	910	113.75	50.56
Third (B)	Third seniority more than three years and up to six years	895	111.88	49.72
Third (C)	Third seniority up to three years	880	110	48.89
<i>Clerical and technical jobs:</i>				
First (A) Technician/Clerk	The first seniority one year or more	1,195	148	66
First (B) Technician/Clerk	The first seniority up to one year	1,175	146.88	65.23
Second (A) Technician/Clerk	The second seniority more than three years	1,035	129.38	57.5
Second (B) Technician/Clerk	The second seniority up to three years	1,020	127.5	56.67
Third (A) Technician/Clerk	The third seniority more than six years	910	113.75	50.56
Third (B) Technician/Clerk	The third seniority more than three years and up to six years	895	111.88	49.72
Third (C) Technician/Clerk	The third seniority up to three years	880	110	48.89
Fourth (A) Technician/Clerk	The fourth seniority more than two years	850	106.25	47.22
Fourth (B) Technician/Clerk	The fourth seniority up to two years	845	105.63	46.94

A Study of the Association of Compensations on Employees Satisfaction in the Public Sector in Egypt

Job level	Equivalent pay step	Job 's monthly salary in EGP	Equivalent in USD before devaluation \$1 = 8 EGP (calculated by researcher)	Equivalent in USD after devaluation \$1 = 18 EGP (calculated by researcher)
Craftsmen and support staff jobs:				
Second (A) Craftsman	Second seniority more than three years	1,035	129.38	57.5
Second (B) Craftsman	Second seniority up to three years	1,020	127.5	56.67
Third (A) Service Support Staff	Third seniority more than six years	910	113.75	50.56
Third (B) Service Support Staff/Craftsman	Third seniority more than three years and up to six years	895	111.88	49.72
Third (C) Service Support Staff/Craftsman	Third seniority up to three years	880	110	48.89
Fourth (A) Service Support Staff/Craftsman	Fourth seniority more than two years	850	106.25	47.22
Fourth (B) Service Support Staff/Craftsman	Fourth seniority up to two years	845	105.63	46.94
Fifth (A)Service Support Staff/Craftsman	Fifth seniority more than two years	843	105.38	46.83
Fifth(B) Service Support Staff/Craftsman	Fifth seniority up to two years	840	105	46.67
Sixth (A) Service Support Staff	Sixth seniority more than two years	837	104.63	46.5
Sixth (B) Service Support Staff	Sixth seniority up to two years	835	104.38	46.39

IRP Approval Letter

CASE #2018-2019-112



To: Mai El Tahawy
Cc: Menna Youssef
From: Atta Gebril, Chair of the IRB
Date: April 4, 2019
Re: Approval of study

This is to inform you that I reviewed your revised research proposal entitled "Impact of Compensation Packages on Employees Motivation in Public Sector in Egypt" and determined that it required consultation with the IRB under the "expedited" category. As you are aware, the members of the IRB suggested certain revisions to the original proposal, but your new version addresses these concerns successfully. The revised proposal used appropriate procedures to minimize risks to human subjects and that adequate provision was made for confidentiality and data anonymity of participants in any published record. I believe you will also make adequate provision for obtaining informed consent of the participants.

This approval letter was issued under the assumption that you have not started data collection for your research project. Any data collected before receiving this letter could not be used since this is a violation of the IRB policy.

Please note that IRB approval does not automatically ensure approval by CAPMAS, an Egyptian government agency responsible for approving some types of off-campus research. CAPMAS issues are handled at AUC by the office of the University Counsellor, Dr. Ashraf Hatem. The IRB is not in a position to offer any opinion on CAPMAS issues, and takes no responsibility for obtaining CAPMAS approval.

This approval is valid for only one year. In case you have not finished data collection within a year, you need to apply for an extension.

Thank you and good luck.

A handwritten signature in black ink that reads "Atta Gebril".

Dr. Atta Gebril
IRB chair, The American University in Cairo
2046 HUSS Building
T: 02-26151919
Email: agebril@aucegypt.edu

COLLABORATIVE INSTITUTIONAL TRAINING INITIATIVE (CITI PROGRAM)
COMPLETION REPORT - PART 1 OF 2
COURSEWORK REQUIREMENTS*

* NOTE: Scores on this Requirements Report reflect quiz completions at the time all requirements for the course were met. See list below for details. See separate Transcript Report for more recent quiz scores, including those on optional (supplemental) course elements.

- **Name:** Mai El Tahawy (ID: 7954934)
- **Institution Affiliation:** The American University in Cairo (ID: 3954)
- **Institution Email:** maihr@aucegypt.edu
- **Institution Unit:** Public Policy and Administration

- **Curriculum Group:** Social & Behavioral Research - Basic/Refresher
- **Course Learner Group:** Social & Behavioral Research
- **Stage:** Stage 1 - Basic Course

- **Record ID:** 30770169
- **Completion Date:** 09-Mar-2019
- **Expiration Date:** 08-Mar-2022
- **Minimum Passing:** 80
- **Reported Score*:** 100

REQUIRED AND ELECTIVE MODULES ONLY	DATE COMPLETED	SCORE
History and Ethical Principles - SBE (ID: 490)	08-Mar-2019	5/5 (100%)
Defining Research with Human Subjects - SBE (ID: 491)	08-Mar-2019	5/5 (100%)
The Federal Regulations - SBE (ID: 502)	09-Mar-2019	5/5 (100%)
Assessing Risk - SBE (ID: 503)	09-Mar-2019	5/5 (100%)
Informed Consent - SBE (ID: 504)	09-Mar-2019	5/5 (100%)
Privacy and Confidentiality - SBE (ID: 505)	09-Mar-2019	5/5 (100%)
Unanticipated Problems and Reporting Requirements in Social and Behavioral Research (ID: 14928)	09-Mar-2019	5/5 (100%)
Populations in Research Requiring Additional Considerations and/or Protections (ID: 16680)	09-Mar-2019	5/5 (100%)
Conflicts of Interest in Human Subjects Research (ID: 17464)	09-Mar-2019	5/5 (100%)

For this Report to be valid, the learner identified above must have had a valid affiliation with the CITI Program subscribing institution identified above or have been a paid Independent Learner.

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COLLABORATIVE INSTITUTIONAL TRAINING INITIATIVE (CITI PROGRAM)
COMPLETION REPORT - PART 2 OF 2
COURSEWORK TRANSCRIPT**

** NOTE: Scores on this [Transcript Report](#) reflect the most current quiz completions, including quizzes on optional (supplemental) elements of the course. See list below for details. See separate Requirements Report for the reported scores at the time all requirements for the course were met.

- **Name:** Mai El Tahawy (ID: 7954934)
- **Institution Affiliation:** The American University in Cairo (ID: 3954)
- **Institution Email:** maihr@aucegypt.edu
- **Institution Unit:** Public Policy and Administration

- **Curriculum Group:** Social & Behavioral Research - Basic/Refresher
- **Course Learner Group:** Social & Behavioral Research
- **Stage:** Stage 1 - Basic Course

- **Record ID:** 30770169
- **Report Date:** 12-Apr-2020
- **Current Score**:** 100

REQUIRED, ELECTIVE, AND SUPPLEMENTAL MODULES	MOST RECENT	SCORE
Defining Research with Human Subjects - SBE (ID: 491)	08-Mar-2019	5/5 (100%)
The Federal Regulations - SBE (ID: 502)	09-Mar-2019	5/5 (100%)
Assessing Risk - SBE (ID: 503)	09-Mar-2019	5/5 (100%)
Informed Consent - SBE (ID: 504)	09-Mar-2019	5/5 (100%)
Privacy and Confidentiality - SBE (ID: 505)	09-Mar-2019	5/5 (100%)
Unanticipated Problems and Reporting Requirements in Social and Behavioral Research (ID: 14928)	09-Mar-2019	5/5 (100%)
History and Ethical Principles - SBE (ID: 490)	08-Mar-2019	5/5 (100%)
Populations in Research Requiring Additional Considerations and/or Protections (ID: 16680)	09-Mar-2019	5/5 (100%)
Conflicts of Interest in Human Subjects Research (ID: 17464)	09-Mar-2019	5/5 (100%)

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