

INDIAN  Journal of the All India Management Association

Management

MARCH 1982



“When two men in business always agree, one of them is unnecessary.”

—WILLIAM WRINGLEY (Jr)

Managerial Preference : Job Security or Emoluments ?

By A. S. BALGIR

respondents and
not more than 10
respondents were
selected from
each state.

The questionnaire
was pre-tested
on 10 managers

Various investigations carried out to identify important motivational factors among Indian managers reveal that they are related to recognition for good work and accomplishment, personal growth and development, authority for decision making, job security, promotion prospects, monetary benefits, prestige of the organisation, etc.¹ Among these factors, job security has been perceived as an important variable.² In a study conducted to find out factors responsible for continuing in the present service, job security has been rated as the third most important factor by Indian managers.³ Thus, job security influences not only the motivational level of managers but also their morale, work performance and the internal environment of an organisation. Factors responsible for causing feeling of insecurity can be traced to an individual's personality traits, organisational culture and surrounding environment at large.⁴

On the other hand, there are employees who attach considerable weight to job emoluments as compared to job security before joining a new organisation.⁵ The present study attempts to answer whether Indian Managers attach more importance to job security or job emoluments while choosing a job.

Research Methodology

Twenty-two undertakings (11 public and 11 private) located at Calcutta, Bokaro, Ranchi, Tatanagar, Hardwar, Bangalore, Hyderabad, Nasik, Faridabad, Chandigarh, Bhopal and Bombay where friends and old MBA students from Punjab Agricultural Univ., Ludhiana were serving, were selected for the present study. Majority of the undertakings are manufacturing units dealing in consumer non-durable, durable and industrial products. In these undertakings, lower, middle and top-level-managers working in different functional areas were selected. Due to uncertainty of managers' response, no particular sampling technique was followed in the selection of managers. In order to distribute questionnaires in an organisation, a known person (a friend or an old MBA student) working in the managerial cadre of the organisation, was approached. He acted as an investigator for a particular organisation. The investigator was instructed that he should pick up respondents belonging to different states working at different levels. A minimum of three

working at different levels in a Ludhiana-based organisation. Necessary modifications were made on the basis of their comments and suggestions. After necessary changes, 490 questionnaires were sent to the investigators. A covering letter containing the purpose of the study, with necessary instructions, was attached to each questionnaire. An authority letter from the university was also sent to the investigator in this connection. The managers were requested to despatch the completed questionnaire directly to the university. 144 managers (29.4%) returned the completed questionnaires, out of which 85 managers were working in public sector undertakings whereas 59 were serving in private sector companies. In order to study whether Indian managers attach more importance to job security or high emoluments while choosing an organisation for service, a relevant question was asked on 3-point attitudinal scale as follows:

Given an option to choose one of the following three jobs, which one would you prefer:

- (i) A job which provides very high emoluments but no security of service.
- (ii) A job with high emoluments but low job security.
- (iii) A job with low emoluments but high job security.

Managerial job preferences were correlated with their socio-economic background, such as, age, educational qualification, nature of job, work experience, salary, other sources of income (i.e. land, house rent, etc.), social background, marital status, no. of dependents, distance from home-town/village from service station, job mobility, etc. Based on personal correlates and job preference, conclusions have been drawn.

The percentage responses are further subjected to statistical treatment of critical ratio (CR) analysis.

Research Findings

The responses related to job preferences either for high salary or for high job security are given in Table 1.

Table 1 shows that 60% managers have opted either for very high job emoluments (8%) or high job emoluments (52%) whereas 40% managers would like to accept job with low emoluments but high job security. It reveals that higher emoluments is the primary consideration of majority of Indian

Table 1
Managerial Job Preference (N=141)

Organisation	Very high emoluments; No Job Security. Response in per cent	High emoluments; Low Job Security. Response in per cent	Low emoluments; High Job Security. Response in per cent
Public Sector (n=82)	10	54	36
Private Sector (n=59)	7	51	42
Total (N=141)	8	52	40

managers whereas job security remains their secondary concern.

64% respondents serving in public sector undertakings have expressed their opinion either in favour of very high emoluments (10%) or high emoluments (54%) whereas 58% respondents serving in private organisations have given preference either for very high emoluments (7%) or high emoluments (51%). As the difference between two percentages is insignificant ($CR=0.740$) at 0.05 level of confidence, it cannot be concluded whether job insecurity exists more in private sector or public sector organisations.

Managerial Job Preference and Personal Correlates

Opinion of managers who have opted either for very high emoluments, higher emoluments or lower emoluments have been classified on the basis of their age, education level, nature of job, work experience, salary, other sources of income apart from monthly pay, social background, marital status, no. of dependants, distance of their home-town/village from place of service, and job mobility.

Age

28%, 55% and 60% managers falling in the age group of 20-30, 30-40 and 40-50, respectively expressed their options in favour of a job which may provide them low emoluments but high job security. Difference in percentages is significant ($CR=2.92, 2.08$) at 0.05 level of confidence. Similarly, 33% managers in the age group of 50-60 have opted for low emoluments but difference is not significant ($CR=0.26$) at 0.05 level of confidence. It indicates that managers in the age group of 20-30 and 50-60 are less security conscious whereas between 30-50, job insecurity dominates their minds. It may be due to the fact that in early youth, a person is more achievement oriented, energetic, dynamic, free from financial worries and hence cares less for

job security. As soon as he crosses 30 years of age, he is generally married and has his own family to support. Due to family responsibilities, he becomes more security conscious. By the time he reaches 50 years of age, it is believed, he might have completed most of his family obligations.

29%, 50%, 33.3% and 100% managers serving public sector and falling in the age group of 20-30, 30-40, 40-50, 50-60 respectively, opted for low emoluments. Difference is insignificant ($CR=1.75, 0.158$ and 1.53) at 0.05 level of confidence. It seems that an individual feels highly secure during his entire service period, while serving public sector undertaking. Similarly, 27%, 63% and 71% managers serving private organisations and falling in the age group of 20-30, 30-40 and 40-50 have opted for low emoluments. Difference is significant ($CR=2.45, 2.20$) at 0.5 level of confidence. 20% managers serving private organisations and in the age group of 50-60 have opted for low emoluments but difference is not significant ($CR=0.33$) at 0.05 level of confidence. Job insecurity prevails more among those serving private sector companies and falling in the age group of 30-50.

33.3% and 71% managers serving public and private sectors respectively and falling in the age group of 40-50, have opted for low emoluments. As difference is significant ($CR=2.05$) at 0.05 level of confidence, it can be said that job insecurity is high in the age between 40-50 years, irrespective of the type of organisation a manager serves.

Education

57%, 62%, 57% and 64% respondents holding qualifications below intermediate level, diploma in engg., graduates and post graduates respectively expressed their options either in favour of very high emoluments (no job security) or high emoluments (low job security). Difference is insignificant ($CR=0.22, 0.34$) at 0.05 level of confidence.

All managers holding Ph. D and above qualifications, opted for low emoluments but high job security. Difference is significant ($CR=1.89$) at 0.10 level of confidence. It shows that highly qualified persons feel highly insecure and would feel at ease in organisations which may provide them higher job security. A Ph. D holder has to study a lot to attain higher professional level. He can exhibit his acquired knowledge and talent only if an organisation provides him a better security of service and a congenial working environment. Secondly, job opportunities available for highly skilled persons are limited compared to general job market quota. Flexibility and change over to every type of job is restricted for a specialist than for a generalist.

All managers in private companies holding Ph. D and above qualifications opted for low emoluments (high job security). It shows job security provided by private organisations to its highly qualified personnel is inadequate. In other words, highly qualified executives feel highly insecure while rendering their services to private sector.

Nature of Job

71% respondents working on probation have opted either for very high emoluments (18%) or high emoluments (53%). Similarly, 58.3% respondents holding permanent posts have expressed their willingness either in favour of very high emoluments (5%) or high emoluments (53.3%). There is no significant difference ($CR = 1.008$) at 0.05 level of confidence. Hence, it cannot be said whether job insecurity is felt more by probationers or by permanent managers.

80% probationers and 57% permanent managers serving public sector opted either for very high emoluments or high emoluments. Difference is insignificant ($CR = 1.41$) at 0.05 level of confidence. Similarly, 57% probationers and 60% permanent managers serving private companies opted either in favour of very high emoluments or high emoluments. There is no significant difference ($CR = 0.152$) at 0.05 level of confidence. It is established that job security is independent of the nature of job and the type of organisation a person may be serving.

Work Experience

29% and 35.7% managers having less than 5 years' and between 5-10 years' work experience respectively have given their options in favour of low emoluments (high job security). There is no significant difference ($CR = 0.65$) at 0.05 level of confidence. Similarly, 61% and 56% managers having 10-15 years' and more than that experience respectively have expressed their willingness for a job which provides low emoluments. Difference is significant ($CR = 4.597$ & 3.90) at 0.01 level of confidence. It shows that managers possessing less than 10 years' experience are less job security conscious compared to those possessing more than that experience. It reveals that highly skilled/experienced managers feel comparatively more insecure in service. As the manager moves higher in hierarchy, his field of work becomes more and more specialised and restricted down. In case his services are terminated at that stage on any ground, he may find it difficult to get a similar type of job in another organisation. Chances are there that he may have to start afresh. This builds up a deep sense of insecurity in him.

Salary and Other Benefits

45%, 34.3%, 32%, 75% and 57% managers drawing emoluments (approx) below Rs. 1000/-, 1000-1500/-, 1500-2000/-, 2000-2500/- and above Rs. 2500/- per month respectively have expressed their opinion in favour of low emoluments. Difference is not significant ($CR = 1.10, 0.937, 1.13, 0.58$) at 0.05 level of confidence. Hence, it cannot be established which salary group feels more insecure during service.

57% and 17% managers drawing salaries in the range of Rs. 1500-2000/- per month serving public and private sectors respectively have expressed options in favour of low emoluments. As the difference is significant ($CR = 1.83$) at 0.10 level of confidence, it shows managers serving public sector undertakings and falling in the salary range of Rs. 1500-2000/- per month feel more insecure compared to their counterparts in private companies. 75% and 25% managers serving private organisations and drawing salaries between Rs. 2000-2500/- p.m. have expressed their opinion in favour of low emoluments (high job security) and high emoluments respectively. It means managers drawing high salaries (i.e., Rs. 2000-2500/-) feel highly insecure while serving private organisations. The higher the salary a manager draws, the higher the responsibility assigned to him. If his performance is not satisfactory and he does not come upto the expectations of top bosses, he may face bad consequences. At times dismissal from service, and hence, the insecurity in him.

Other Sources of Income

64% managers who possess additional sources of income, e.g., landed property house rent apart from monthly salaries, have expressed their options either in favour of very high emoluments (9%) or high emoluments (55%). Similarly, 57% managers having no additional sources of income except monthly salaries, have opted either for very high emoluments (7%) or high emoluments (50%). As difference is insignificant ($CR = 0.26$) at 0.05 level of confidence, it cannot be established whether managers having additional source of income feel more insecure compared to those who live by their monthly salaries. 33% and 67% managers serving public sector undertakings and having additional sources have opted either for very high emoluments or high emoluments which shows that those having other sources of income and serving public sector undertakings feel highly secure in their jobs.

Social Background

Representation of managers in services belonging to urban areas is more than 3 times than those from rural areas.

57.8% respondents having urban background have opted either for very high emoluments (8.4%) or high emoluments (49.4%). Similarly, 62% respondents coming from rural areas have opted either for very high emoluments (7%) or high emoluments (55%). Difference is insignificant ($CR=0.34$) at 0.05 level of confidence.

Hence, it cannot be established whether managers belonging to urban areas feel more insecure during service or vice versa. 60% and 26% managers having rural background, serving private companies and public sector undertakings respectively have opted for low emoluments, but high job security.

Difference is significant ($CR = 2.22$) at 0.05 level of confidence. Hence, it can be said that managers with rural background feel slightly more insecure while serving private organisations than their counterparts serving public sector undertakings.

Marital Status

69% bachelor managers have opted either for very high emoluments (15%) or for high emoluments (54%). Similarly, 55% married managers have expressed their options either in favour of very high emoluments (4%) or high emoluments (51%). Difference is significant ($CR-1.65$) at 0.10 level of confidence. It shows that married managers feel comparatively more insecure in service than bachelor managers. This is due to the fact that married persons have to fulfil more family responsibilities as compared to their unmarried counterparts.

23% single and 50% married managers serving private companies have opted for low emoluments (high job security). Difference is significant ($CR = 2.06$) at 0.05 level of confidence. Hence, it can be said that feeling of job insecurity is more among married managers serving private organisations than those serving public sector undertakings.

No. of Dependants

60%, 45% and 57% respondents, having more than one dependants, have expressed their willingness to work on a job which either provides them very high emoluments or high emoluments. Since difference is insignificant ($CR = 1.41, 0.34$) at 0.05 level of confidence, it cannot be concluded that the more the number of dependants a person has to look after, the higher the aspirations for better emoluments.

18% and 70% managers having 5 or more than 5 dependants, serving public and private organisations respectively, have opted for low emoluments. Difference is significant ($CR = 2.41$) at 0.05 level of confidence. Hence, it can be concluded that managers having more number of dependants (5 and above) and serving private companies carry greater

feeling of job insecurity compared to their counterparts serving public sector undertakings. The more number of dependants a manager has to look after, the more is the social and financial responsibility he has to perform to care for his dependants. It seems private companies provide less job security to its managers compared to public sector undertakings.

Distance from Home-town/Village

45%, 77%, 72% and 76.5% managers working at distance less than 500 kms, 500-1000 kms, 1000-1500 kms and 1500-2000 kms from their respective home-town/village have expressed their opinion either in favour of very high emoluments (no job security) or high emoluments (low job security). Difference is significant ($CR = 2.73, 2.20, 2.38$) at 0.05 level of confidence. Similarly, 66.6% respondents working at a distance more than 2000 kms have expressed their opinions in favour of very high emoluments and high emoluments. Difference is insignificant ($CR = 0.74$) at 0.05 level of confidence. It can be concluded that the farther an individual is from his home-town/village, the stronger is the feeling for higher emoluments. It may be due to the fact that whenever a person leaves his home-town/village in search of job, it is generally because of financial constraints facing him. He prepares himself mentally to work under adverse circumstances to earn more money. Job security, thus becomes his secondary consideration.

Job Mobility

66% respondents who are continuing their service in the same organisation (no job mobility) expressed their willingness to serve an organisation which may provide them either very high emoluments (4%) or high emoluments (62%). Similarly, 50% respondents who have served a no. of organisations (mobile in service) have expressed their options either in favour of very high emoluments (8%) or high emoluments (42%). Difference is significant ($CR=1.86$) at 0.10 level of confidence. It shows mobile executives feel more insecure compared to non-mobile executives. Mobile executives are generally a discontented lot. They are always on the lookout for new pastures to earn higher salaries or to seek better designations. After frequent change of service, a stage (saturation point) comes when a manager feels like settling down in life peacefully. This may be due to his compelling obligations towards family. At that time, he is likely to prefer an organisation which provides him high job security at the cost of low emoluments.

Conclusion

The above discussion leads to the conclusion that majority of Indian managers prefer high job

emoluments while choosing a new organisation. Job security remains their secondary consideration. Manager below the age of 30 or above 50 years of age, having qualifications below post graduation level, possessing work experience less than 10 years', having urban background, bachelors, having less than 5 dependants to look after, away from their home-town/village from place of service, non-mobile in service, care less for job security and aspire more for high job emoluments.

Managers who feel relatively more insecure during service are from 30-50 years age group, possess very high qualifications (Ph. D. and above), having more than 10 years' work experience, married, nearer to their home-town/village from their place of service and mobile in service.

Public sector undertakings provide high job security where as private organisations provide low job security to its employees.

Managers serving public sector undertakings and drawing salaries and other benefits (approx) in the range of Rs. 1500-2000/- per month, having no other source of income except monthly salaries, coming from rural background, having five or more dependants, feel more insecure during service.

On the other hand, managers serving private companies and falling in the age group of 30-50, holding Ph. D. and above qualifications, drawing salaries in the range of Rs. 2000-2500/- p. m., having rural background, married, having five or more dependants to look after, feel more insecure during service.

This is due to the fact that industrial culture prevalent in public sector undertakings is different from private sector organisations. Public sector is patronised by government whereas private sector is functioning on

the concept of free enterprise. Both have to coexist in a mixed economy like ours to deliver the goods and services to the society.

REFERENCES

1. Ishwar Dayal and Mirza Saiyadin, 'Cross Cultural Validation of Motivation—Hygiene Theory', *Indian Journal of Industrial Relations*, Vol. 6. 1970.
Laxmi Narain, 'Managerial Motivation in Public Enterprises', *Lok Udyog*, Vol. 9, 1971; D.N. Pestonjee and B. Gopa. 'A Study of Job Motivations of Indian Executive', *Indian Journal of Industrial Relations*, Vol. 8, No. 1, 1972; A. Kumar, 'Managerial Motivation', *Lok Udyog*, Vol. X, No. 1 April 1976.
K.G. Agarwal, 'Self, Role and Status and Motivation—Towards Stratification Theory of Work Motivation', *Indian Journal of Industrial Relations*, Vol. 12, No. 3, Jan. 1977.
Pulin K. Garg and Indira J. Parikh, 'Is the Concept of Motivation Relevant?' *Integrated Management*, Oct. 1977.
Prayag Mehta, 'Employer Motivation and Work Satisfaction in a Public Enterprise', *Vikalpa*, Vol. 2, No. July 1977.
Prayag Mehta, 'Objective and Subjective Factors in Employee's Satisfaction in Life and Work,' *Indian Journal of Industrial Relations*, Vol. 13, No. 4, April 1978.
2. Laxmi Narain, op. cit. A. Kumar op. cit., and M.C. Agrawal, S. Khandwala and N. Naik, 'What Middle Level Managers Look for in Their Jobs', *ISTD Review*, May-June 1976, pp. 8-11. Pestonjee, D.M. and N. Ahmed, 'Alienation and Insecurity as related to Occupational Level', *Indian Journal of Social Work*, 1977.
Pestonjee, D.M., 'Alienation, Insecurity and Job Satisfaction,' *Vikalpa*, Vol. 4, No. 1, Jan. 1979.
3. A.S. Balgir, 'Job Security among Indian Managers', M.B.A. Thesis submitted to Punjab Agricultural Univ., Ludhiana, for the award of M.B.A. degree, 1979. (unpublished work)
4. Singh D.R. & Balgir, A.S., 'Job Insecurity among Indian Managers', *Integrated Management*, Sept. 1979.

A. S. Balgir is Deputy Manager (Faculty), Ministry of Defence, Ordnance Factories Staff College Ambajhari Defence Project, Nagpur. □