

THE RELATIONSHIP BETWEEN PAY SATISFACTION AND QUIET QUITTING-USING ORGANIZATIONAL IDENTIFICATION AS A MODERATOR

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ABSTRACT

In an economic downturn, employees may choose to quiet quitting because they cannot easily find new jobs, which may reflect their dissatisfaction with the company culture and pay. Companies and employees have different views on the reasons and solutions for quiet quitting. The reasons leading to quiet quitting might include: dissatisfaction with pay, incompatibility of values, pursuit of work-life balance, etc. The present study aims to investigate the relationship among organizational identification, pay satisfaction, and quiet quitting, taking a traditional food manufacturing company as the case study object. The results of the study found that pay satisfaction has a significant effect on quiet quitting. When employees are more satisfied with their pay levels, they are less likely to quiet quitting. The interaction between pay satisfaction and organizational identification with membership has a significant effect on quiet quitting. When employees are satisfied with their pay and have good relationships with members of the organization, they are less likely to engage in quiet quitting. Therefore, it is recommended that corporate organizations should focus on improving employee pay satisfaction and improving interpersonal relationships within the organization to reduce the risk of quiet quitting.

Keywords: Pay satisfaction, Organizational identification, Quiet quitting.

1. INTRODUCTION

Atalay & Dağıstan [1] noted that the Covid-19 pandemic has affected all aspects of life, including the work environment. Until the end of the pandemic, the concept of "quiet quitting" began to emerge. This new phenomenon was introduced as a new concept in both mainstream and social media. Harter [2], referencing Gallup's findings, reported that at least 50% and possibly more of the U.S. workforce are quiet quitters. Harter [2] further explained that this trend of quiet quitting, a notion spreading widely on social media suggesting that millions of employees are merely fulfilling their job requirements without exceeding them, may continue to grow. This poses challenges, as many roles today require additional effort to effectively collaborate with colleagues and meet customer demands.

In response to such a result, Gallup estimates that it will cause a loss of US\$ 8.8 trillion to the global economy, equivalent to 9% of global GDP. It is a phenomenon that organizational leaders cannot ignore. The present study aims to investigate the effects of organizational identification and pay satisfaction on quiet quitting. In order to achieve the ideal pay satisfaction and organizational identification for the staff, thereby reducing the phenomenon of employees quiet quitting.

Pay Satisfaction

Schaffer [3] viewed pay satisfaction (PS) as a fundamental psychological need that actively involves employees in their work. Various impacts of money, whether seen as generalized

conditioned reinforcers, conditioned motivators, or anxiety reducers, can shape employees' work behaviors [4]. Opsahl and Dunnette [4] emphasized the motivational significance of money, suggesting it is a key factor driving employees to put in additional effort, largely to fulfill their material goals, particularly in financial terms.

Miceli & Mulvey [5] define PS as the positive and negative reactions to how employees feel about their pay. Kalleberg & Van Buren [6] PS refers to how employees feel about the pay they receive, including income level, fairness and comparison with colleagues. Bartels & Van Weegen [7] PS refers to employees' confidence and satisfaction with their pay, benefits, and other forms of compensation. Al-Harthy [8] believes that pay incentives are an important factor in improving employee performance levels. When employees are satisfied with the pay they receive, they will realize that what they are doing is satisfactory and their performance will be better [9]. Conversely, pay dissatisfaction can have both effective and adverse effects on a number of employee outcomes, such as failure to complete assigned tasks in a timely manner, which has also been associated with reduced performance levels [10].

Gerhart & Rynes [11] believe that pay compensation is a powerful motivating factor. Lawler & Porter [12] found that satisfaction with pay seemed to depend more on where an individual currently placed himself on pay than where he thought he should be, rather than on his absolute pay level (PL). Gerhart & Milkovich [13] pointed out that salary satisfaction is the core of the employment relationship exchange between the company and its employees. It is also the reward given by the company for the services provided by the employees to the company. They also proposed that salary is composed of many aspects. Salary It integrates salary, salary structure, benefits, salary adjustment, and differentiated salary system based on individual work performance.

The present study divides PS into four aspects: pay level, welfare, pay increase, and pay structure.

Organizational Identification

March & Simon [14] were the first to propose the concept of organizational identification (OI). OI is a state in which individuals define themselves as members of an organization or a perception of belonging to a group [15].

Employees regard themselves as members of the employing organization and feel that they belong to the organization [16]. If an employee regards himself as a member of the organization, identifies with the organization's mission, values, and goals, and incorporates the organization's interests into various management decisions, it means that the employee has OI with the organization [17].

OI is a cognitive concept at the organizational level [18]. When individuals identify with the organization higher than other organizations, employees will show positive behaviors [19]. The higher the employee identification with the organization, the closer the connection between the individual and the organization, and the more the individual will care about their status, performance, and role in the organization. When employees identify more strongly with the organization, it not only has the function of uniting organizational members, but also will achieve the effect of improving work performance [20]. Patchen [21] proposed that OI has three dimensions, namely organizational membership, loyalty, and similarity. Cheney [20] believed that the aspects of OI should include loyalty to the organization, a sense of common goals and values, and organizational member relationships. Based on the three aspects of Patchen [21] mentioned above, he developed the Organization Identification Questionnaire

(OIQ). Ellemers et al. [22] divided OI into three aspects: self-categorization, group commitment, and group self-esteem.

The present study divides OI into three aspects: membership, loyalty, and similarity.

Quiet Quitting

The concept of quiet quitting (QQ) holds that employees only perform basic tasks, cope with supervisor requests, conserve energy in the workplace, and make no extra effort. Yikilmaz [23] noted that QQ is not a new phenomenon; it was introduced in 2009. Interestingly, QQ does not imply that the employee is leaving their job. Instead, it refers to employees limiting their focus to work tasks within the hours specified by the employer, disconnecting entirely during non-work hours.

Roger [24] define QQ is stop making a meaningful commitment to your job, lose motivation, and only do enough to meet the job requirements. Harter [2] define QQ refer to employees are identified as quiet leavers- people who are psychologically disconnected from their work and intend to do only the bare minimum of the job. Formica & Sfodera [25] define QQ is employee's limited commitment to performing assigned tasks" responsibilities and relinquishing any other tasks not specified in their job description and low investment in work activities.

The present study define the QQ may be an action for employees to take back control and set boundaries, or to prioritize their own lives.

Effect of PS on Quiet Quitting

Gerhart et al. [26] pointed out that when employees feel that their wages are higher than expected, they will seek to improve job performance. Once employees feel that their wages are too low, they will reduce their input into work production and engage in negative behaviors. Researches agree that job satisfaction (job itself, salary, promotion, relationship with supervisor, relationship with colleagues) is negatively related to turnover intention [27; 28].

Effect of Organizational Identification on Quiet Quitting

Researches results show that OI can enhance employee engagement and have a positive impact on job performance [29; 30].

Moderating Effect of Organizational Identification in PS on Quiet Quitting

When employees have a high sense of identification with the organization, the impact of PS on quiet turnover is more significant. Research conducted by Huang et al. [31] also supports the interference effect of OI between salary satisfaction and intention to stay.

2. RESEARCH METHOD

Research Framework

Based on the literature review, the present study conduct the research framework in Figure 1. There are three levels of organizational identification (OI): membership (M), loyalty (L), and similarity (S). There are four levels of pay satisfaction (PS): pay level (PL), welfare (W), pay increase (PI), and pay structure (PSE).

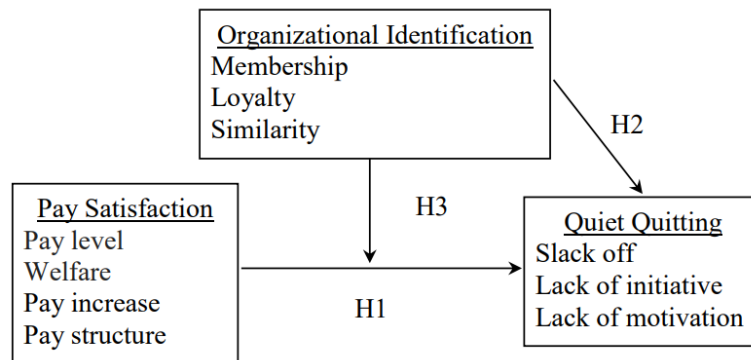


Figure 1. Research framework of the present study

Research Hypothesis

The present study aims to investigate the relationship between OI, PS and QQ. Based on the literature review and research framework, the following research hypotheses are proposed for analysis.

The research hypotheses are as follows:

H1: PS has a significant positive effect on QQ.

H2: OI has a significant positive effect on QQ.

H3: OI has a significant moderating effect on PS with QQ.

Questionnaire Design

The present study adopts a questionnaire that includes four parts: the first part is basic personal information; the second part is OI; the third part is PS; and the fourth part is QQ.

- 1) Basic personal information includes seven items: gender, age, marital status, position, department, seniority, and pay income.
- 2) OI is divided into three levels: M, L, and S; with totaling 12 questions.
- 3) PS is divided into four levels: PL, W, PI, and PSE; with totaling 18 questions.
- 4) QQ has 9 questions.

Research Participants

Employees of S food factory in Tainan as the subjects of the present study. The number of completed questionnaires was 58, and received 55 valid questionnaires.

Statistical Analysis

After collecting the questionnaires, the questionnaires were first checked, then the valid questionnaires were numbered and archived, and SPSS 20.0 was used for data analysis. Statistical methods are used as follows: descriptive statistic, reliability analysis, validity analysis, Spearman's rank-order correlation, and regression analysis.

3. RESULTS AND DISCUSSIONS

Descriptive Statistic

- 1) OI: The average rating scores in the three aspects of OI: M, L, and S are 3.3030, 3.2303, and 2.9818, respectively.
- 2) PS: The average rating score in the four aspects of PS: PL, W, PI, and PSE emotional happiness are 2.7500, 2.5773, 2.6218, and 2.6364, respectively.
- 3) QQ: The overall average rating score is 2.4888.

Reliability and Validity Analysis

- 1) Reliability analysis: The questionnaire survey subjects of the present study are all employees of the case company, so the reliability should be sufficient.
- 2) Validity analysis: The research scales in the present study all used questionnaires developed and published by other researchers. Therefore, the content of the questionnaire should already have content validity.

Spearman's Rank-order Correlation

The present study uses Spearman's rank-order correlation coefficient analysis method to explore the correlation between learning satisfaction and various aspects of happiness. The degree of linear correlation between two variables is measured by the Spearman rank correlation coefficient. The value of the Spearman rank correlation coefficient is between -1 and 1. When the value is greater than 0, the two variables are said to be positively correlated, and when it is equal to 1, the two variables are said to be positively correlated. It is a perfect positive correlation; when it is less than 0, it is said that the two variables are negatively correlated; when it is equal to -1, it is called a perfect negative correlation; when it is equal to 0, it is said that the two variables are uncorrelated. The Spearman's rank-order correlation coefficients of all variables are between 0.211 - -0.424.

Regression Analysis

Regression analysis of the moderating effect of OI on the relationship between PS and QQ, respectively adding demographic variables. Due to the questionnaire was only 55, there are not enough freedom to conduct full model of regression analysis. Therefore, the regression analysis was divided in to two parts.

The Table 1 shows the results of regression analysis with demographic variables.

Variable		Regression model				
		QQ				
Demographic variables	Gender	2.838	2.337	3.355	2.153	1.442
	Age	-1.381	-1.405	-1.254	-1.491	-1.918
	Marital status	1.530	1.369	1.784	1.280	1.439
	Position	-2.364	-2.273	-2.352	-2.293	-2.029
	Department	0.554	0.642	0.480	0.649	0.473
	Seniority	1.274	1.334	1.114	1.414	1.549
	Pay income	-1.059	-0.881	-1.042	-0.882	0.334
	PS		0.540			-7.824*
OI				-0.865		-9.944***
PS * OI					0.128	2.730**
Statistical value	F-value	1.350	1.198	1.225	1.224	2.525*
	R ²	0.167	0.172	0.176	0.176	0.365
	Adj R ²	0.043	0.028	0.032	0.032	0.220

The Table 2 shows the results of regression analysis without demographic variables.

Variable		Regression model			
		QQ			
PS	PL	-6.881*			-6.409
	W	1.290			-1.716
	PI	3.481			3.732
	PSE	3.676			2.260
OI	M		-3.902		-4.323

	L		4.161		-0.797
	S		-0.715		0.608
PS * OI	PL * M			-2.788	1.385
	PL * L			0.538	1.034
	PL * S			-2.234	-0.545
	W * M			11.007*	10.171
	W * L			-5.875	-3.121
	W * S			1.008	-0.502
	PI * M			-4.867	-5.487
	PI * L			6.974	6.453
	PI * S			-9.132	-8.014
	PSE * M			-5.893	-2.446
	PSE * L			6.845	3.419
	PSE * S			6.382	5.481
Statistical value	F-value	2.727*	1.193	1.918	1.528
	R ²	0.179	0.066	0.354	0.453
	Adj R ²	0.113	0.011	0.169	0.157

Therefore, combine the above results, the hypothesis H1, H2, H3, H1-1, and H3-4 were supported. The summary of the hypotheses is shows in Table 3.

Table 3. Summary of hypothesis

Hypothesis	Result
H1	Supported
H1-1	Supported
H1-2	Not Supported
H1-3	Not Supported
H1-4	Not Supported
H2	Supported
H2-1	Not Supported
H2-2	Not Supported
H2-3	Not Supported
H3	Supported
H3-1	Not Supported
H3-2	Not Supported
H3-3	Not Supported
H3-4	Supported
H3-5	Not Supported
H3-6	Not Supported
H3-7	Not Supported
H3-8	Not Supported
H3-9	Not Supported
H3-10	Not Supported
H3-11	Not Supported
H3-12	Not Supported

- 1) In Appendix Table 1, the demographic variables in model M1 are independent variables all have not reach the significant level on the dependent variable QQ (F=1.350, Adj R²=0.043), indicating that demographic characteristics all have not significant effect on QQ.
- 2) In Appendix Table 1, the model M5 (F=2.525, Adj R²=0.220), PS is significant affecting on the QQ (β =-7.824), which means that the higher the PS, the lower the QQ, which has a significant negative effect, so the hypothesis H1 is supported. OI is significant affecting on the QQ (β =-9.944), which means that the higher the OI, the lower the QQ, which has a significant negative effect, so the hypothesis H2 is supported. The interaction effect of PS *

OI is significant affecting on the QQ ($\beta=2.730$), indicated that the moderation effect has a significant positive effect, so the hypothesis H3 is supported.

- 3) In Appendix Table 2, the model M1 ($F=2.727$, Adj $R^2=0.113$), PL is significant affecting on the QQ ($\beta=-6881$), which means that the higher the PL, the lower the QQ, which has a significant negative effect, so the hypothesis H1-1 is supported; the model M3, the interaction effect of $W * M$ is significant affecting on the QQ ($\beta=11.007$), so the hypothesis H3-4 is supported;

4. CONCLUSIONS AND SUGGESTIONS

Pay Satisfaction

- 1) Salary increases are not transparent or fair: Employees may feel that the company lacks transparency or fairness in how they determine salary increases, causing them to feel dissatisfied.
- 2) Dissatisfaction caused by supervisor's salary: If employees think that the company's supervisor's salary is too high, but their own salary level is not in line with their contribution, they will feel dissatisfied.

Organizational Identification

Questionnaire survey data shows that employees have expectations for the company's future and a certain sense of identity with the work environment, but they are somewhat dissatisfied or uncertain about the fit between themselves and the company. The company can conduct more communication and improvements in this area to enhance employees' sense of belonging and identity.

Quiet Quitting

Employees do not feel strongly about QQ, and the scores for most items are close to or lower than disapproval, indicating that employees do not have a positive attitude toward QQ. Some employees have a slightly negative tendency. On the two items of not being inspired and not being able to find motivation, employees' feelings are slightly negative, but not very significant.

Research has found that female employees are lower than male employees in terms of PS and OI. It should be ensured that all employees have equal opportunities for promotion and development. Many female employees may need to take care of their families, so providing flexible working hours and remote working options can help them achieve a better work-life balance, create a more inclusive and supportive work environment, and improve female employees' satisfaction and sense of OI.

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