

An employees greatest performance influencer

Author: Kudzai Derera . November 2019

Salary is important in the most basic sense - the vast majority of people wouldn't do their jobs if they weren't paid for it. A fair salary for the particular work required is also important. Some of the notable reasons why fair salary is important are:

- It attracts and retains employees
- It builds high morale and increases productivity
- It satisfies employees and increases motivation

Two standard human psychology theories from Abraham Maslow and Frank Herzberg explain why salary is critical in keeping employees satisfied at work. Maslow's Hierarchy of Needs where he discussed five basic needs: Physiological, safety and security, social belonging, esteem, and self-actualization. He stated that only unmet needs are motivating. Thus, the lowest-order physiological needs are your top priority until they're met. This can include salary since it's needed to buy food, clothing, and shelter.

Herzberg's two-factor theory, based on a job attitude study of 200 accountants and engineers, generally validates Maslow, but consolidates five levels of needs into two more general categories of needs factors - hygiene, or maintenance, and motivational. He said that the basic salary was important as a survival need because it protects against employee dissatisfaction. He did note that recognition, promotional opportunities, and self-worth are key motivators. Thus, if companies tie these factors to pay structure, they may have more ability to use salary to push for stronger performance.

Industrial Psychology Consultants (Pvt) Ltd has developed an online salary survey platform, PayGenius, where:

- Employers get comprehensive salary benchmarking and remuneration practice reports.
- Employers easily design their pay structures and assess their impact on the wage bill.
- Job seekers and employees get up to date information on salaries and benefits

PayGenius is there to help employers and employees compare their salaries against market trends. Prospective employees want to know how to respond when asked how much they want as starting salaries. Employers want to ensure that remuneration related grievances are kept at a minimal. PayGenius provides job seekers, corporates and executives an easy to use platform which provides information that addresses their specific needs. Questions regarding how much one should pay or get paid and how one should structure his/her employees' pay are answered by the click of button.

Industrial Psychology Consultants (Pvt) Ltd is committed to making PayGenius an effective compensation and benefits management tool that is reliable and keeps information provided by clients

safe and confidential. Find out more about the online portal at www.ipcpaygenius.com or email us at bis@ipcconsultants.com for a free trial today!

Kudzai Derera is the Business Systems Manager at Industrial Psychology Consultants (Pvt) Ltd, a management and human resources consulting firm.

LinkedIn: <https://zw.linkedin.com/in/kudzaiderera>

Phone: +263 242 481946-48/481950

Mobile: +263 773 523 084

Email: kudzai@ipcconsultants.com

Main Website: www.ipcconsultants.com

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