

# 'Industrial relations' employee satisfaction dependent on more than relative pay

August 27 2008

---

A new study in the journal *Industrial Relations* reveals that employee well-being is dependent upon the rank of an individual's wage within a comparison group, as opposed to the individual's absolute pay.

Gordon D.A. Brown, Jonathan Gardner, Andrew J. Oswald, and Jing Qian asked undergraduates to rate how satisfied they would be with wages they might be offered for their first job after college. Subjects expressed feelings about each potential wage in the context of a set of other wages. Researchers also analyzed data from 16,000 employees who reported on workplace satisfaction.

Employees did not care solely about their absolute level of pay. Workers were more concerned with their income relative to the salary levels around them in their workplace. Individuals were not just influenced by relative income but by the rank-ordered position of his or her wage within a comparison set.

Source: Wiley

Citation: 'Industrial relations' employee satisfaction dependent on more than relative pay (2008, August 27) retrieved 26 April 2024 from <https://phys.org/news/2008-08-industrial-employee-satisfaction-relative.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.