

The Impact of Fair Equity Increase in Wages and Compensations on Employees ' Low Absenteeism, Motivation & Attitude: The Case of Multinational Companies in Egypt

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Abstract

This research investigated the impact of fair equity increase in wages and compensations on employees' low absenteeism, motivation and attitude. It utilized a mixed methods approach to gather information related to the research. The study involved 97 targeted respondents working as HR managers, HR specialists and HR assistants at multinational companies (MNC) working in various kinds of business in Egypt. The result of this empirical research is that fair equity increase in wages & compensations is associated with a lower level of absenteeism, a higher level of motivation and attitude among employees. Insights could be gained from this study for the development of this research line in future.

Keywords: Pay fairness, compensation, wages, fair equity, absenteeism, motivation, attitude, Egypt

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I. Introduction

The modern workforce as mentioned by Singh (2017) includes three different generations. Despite of the differences between the employees, they follow common themes. Managers in organizations need to know how to work with all employees with all their differences, in order to maintain a successful business.

According to Armstrong (2003), employees are considered the key resource of organizations. The success or failure of any organization is based on its ability to attract and retain the talented employees. Staying in a job depends a lot on the compensation packages of an organization.

Based on Resource Management, Inc. (2016), employers are constantly concerned with providing equitable compensations for employees. Since human resources (HR) specialists are specialized in compensation packages, they are able to determine the appropriate compensation plans and acceptable salary increases.

As mentioned by Heery & Noon (2001), employment relationship in any profit organization is an exchange process, where employees provide experience and skills in return for compensations from the employer. From the employee's point of view, pay influences security and the standard of living, where compensation such as healthcare and pension influences the well-being of the employee. From the employer's point of view, compensation needs to be controlled, as it is a major cost and an investment, that should produce adequate returns related to the behaviors and skills of the employees and the organization's performance.

According to Chinn (2017), employees view pay within the context of experience, education and skills. They believe that those who work hard produce more and therefore their payment's rate should be equal to the value of their work. Employees also believe that their wages should cover their basic living expenses, while being able to have some money for savings.

Equitable compensation was for years one of the policies any organization can apply, in order to motivate its employees and enhance the productivity. According to Snell & Bohlander (2010), wage is an important consideration, in order for any employee to maintain his standard of living.

1.1 The problem of the study

This study investigates the influence of fair equity increase in wages and compensations on employees' low absenteeism, motivation and attitude. According to Bucalo (2018), the pressure to attract, motivate and retain the high potential employees is the concern of most HR leaders. To achieve this, they implement various HR programs, which depend on one key assumption that the majority of the employees feel that their pay level is equitable internally (with other employees working a similar job in the organization) and externally (with the labor market) and that are fairly compensated in accordance with the results of their performance. In order to achieve the above-mentioned, the practices of the management of the organization's wages and compensations should be administered fairly.

Therefore, this research examines the impact of fair equity increase in wages and compensations.

1.2 Research Objectives

- RO1: To identify the impact of fair equity increase in wages and compensations on employees' lowabsenteeism.
- RO2: To study the impact of fair equity increase in wages and compensations on employees' motivation.
- RO3: To investigate the impact of fair equity increase in wages and compensations on employees' attitude.

1.3 Research questions

The study will tend to answer the following research questions:

- What is the impact of fair equity increase in wages & compensations on employees' lowabsenteeism?
- What is the impact of fair equity increase in wages & compensations on employees' motivation?
- What is the impact of fair equity increase in wages & compensations on employees' attitude?

1.4 Research Hypotheses

H1: Fair equity increase in wages & compensations has a significant impact on employees' lowabsenteeism.

H2: Fair equity increase in wages & compensations has a significant impact on employees' motivation.

H3: Fair equity increase in wages & compensations has a significant impact on employees' attitude.

II. Literature Review

This section will discuss the literature related to equity, compensation, absenteeism and motivation.

2.1 Equity

According to GRAHAM(2007), equity is closely related to equality, but is not considered the same. Equity is about fair distribution, where equality is about justice.

Equity theory is applied at every workplace. It depends on the input-to-output ratio and on comparison with peer group. The satisfaction of the employee is directly tied with the input (such as hard work, motivation and skills) and the output (such as wages, bonuses and awards). The equity theory aims at creating a balance between the employee's input and output. When an employee is treated fairly, the ratio of his input to the output is similar to those around him. On the contrary, if he thinks that other employees, who are doing a similar job, receive more rewards compared to him, he would feel de-motivated and this would result into imbalance.¹

According to Cascio(2006), equity can be assessed on three dimensions; internal, external and individual.

As mentioned by Cardy & Ellis(2007), employees perceive what they get from the organization comparing what they could get from another organization. This is called a level of "perceived equity" and it is divided into three groups: value, brand and retention equity.

As mentioned by Chinn(2017) pay equity is simply defined as equal pay for equal work. Employees who perform the same job are paid the same, in spite of their age, race, origin and gender. An equity increase in wages is based on the belief that the current pay of an employee is too low for his skills, due to the significant changes in the internal and external markets. The human resource management proposes an equitable salary, to ensure that the employee's salary is within the salary range relative to his qualifications and to other employees, who are in similar job positions. As a result, the pay is swiftly increased to ensure equity and fairness in the workplace.²

2.2. Compensation

As mentioned by Rivai(2011), compensation is something acceptable for the services of an individual to the organization. According to Dessler(1998), payment can be direct such as wages, incentives and bonuses and it can be indirect such as insurance and vacation money.

Compensation can be divided into two categories:

- Financial compensation: According to Armstrong(2003), financial compensation includes financial rewards (when employees achieve their performance targets or reach certain levels of skills or competence, they receive

¹Definition of 'Equity Theory'. (n.d.). Retrieved December 23, 2019, from <https://economictimes.indiatimes.com/definition/equity-theory>.

²Human Resources. (n.d.). Retrieved December 23, 2019, from <https://www.utsa.edu/hr/Compensation/SalaryActions.html>.

financial rewards) and financial incentives (aim at motivating employees to improve their performance, enhance their skills or competence and achieve their objectives).

•Non-financial compensation: It is connected to the work itself and does not involve money such as recognition as mentioned by Adeoye & Ziska(2014). Non financial compensation based on Mondy(2008), can include for example training, promotion and a chance to flourish. It can also be related to the work environment and includes for instance comfortable working conditions and job sharing.

According to Resource Management, Inc. (2016), compensations are regarded as fair, when they are designed with a system that includes job descriptions, job evaluations, job analyses and pay structures. They will also be perceived as fair, if they are able to maintain internal (the perception of the employees of their pay compared to their co-workers) and external (the perception of the employees of their pay compared to the pay of similar positions at other organizations) equity.

2.3 Absenteeism

Employee's absenteeism is an unauthorized absence from the workplace. It is a universal phenomenon and its rate differs from day to day, month to month and even from shift to shift.³

According to Federica, Massimo, & Luigi(2014), absenteeism is defined as an employee's absence from work, whether intentional or habitual for one or more than one days. It is due to poor sense of duty and personal interests, but justified usually by a medical certificate. Absenteeism is a sociological phenomenon, which is directly linked to the individual, the work conditions and the organization's behavior. It can be caused by dysfunctional, bad and not motivating organizational climate, which does not fairly compensate the employees. Excessive absences can have major impacts on the organization's strategies, morale and finances and lead to decreased productivity.

2.4 Motivation

The term motivation as mentioned by Mohsen et al. (2004) comes from the Latin word "movere" which means, "to move". Motivation moves the employees from weariness to attention and motivating the employees is an exercise practiced widely through all business sectors.

Motivation according to Singh(2017) is the desire and a psychological force within an individual that causes him to act to achieve specific goals. It is a group phenomenon, which gives direction and purpose to behavior. It influences the nature, persistence and strength of the employee's behavior. Managers so called (motivators) try to get the employees to pursue willingly the organization's goals and deliver high producing results.

Based on Ramlall(2004), motivation is defined as the employee's willingness to make high levels of efforts with the condition of the ability to satisfy some of his individual needs.

2.5 Attitude

According to Kelly(1974), attitude is defined as a state of mind, through which an individual concentrates on certain objects in his environment.

As stated by Fishbein & Ajzen(1974) an attitude is a mental state of readiness, which is learned through experience and influences the individual's response to people and situations. It can also be defined as a positive or negative feeling.

The employee's attitude based on Waryszak & King(2001) is the most essential influencing factor at the workplace.

As mentioned by Cho et al. (2012), the employee's attitude is defined as the employee's actions towards their goals. It includes three dimensions: -effective attitude (includes the feelings, values and norms of the employee)-cognitive attitude (includes the belief regarding the right and wrong concept) – individual attitude (includes the will of decision-making).

In accordance with Chang(1999), by setting expectations from its employees, organizations formulate their attitude and behavior.

³Employee Absenteeism. (n.d.). Retrieved December 26, 2019, from <http://www.economicdiscussion.net/human-resource-management/employee-absenteeism/31919>.

III. Conceptual Framework

The model illustrated below was constructed according to the objectives of the study.

The conceptual framework of the research model is based on the independent variable (fair equity increase in wages & compensations) and the dependent variables (low absenteeism), (motivation) and (attitude). It shows the impact of the aforementioned independent variable on the dependent variables.

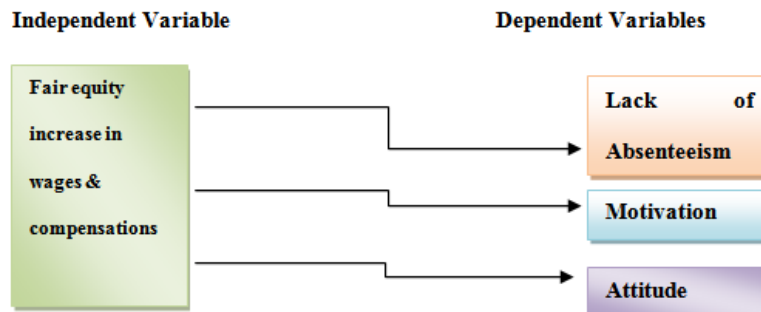


Figure 1: Independent variable (fair equity increase in wages & compensations) and dependent variables (low absenteeism), (motivation) and (attitude)

Source: By researcher

3.1 The impact of fair equity increase in wages & compensations (independent variable) on employees ' low absenteeism (dependent variable)

The stability and regularity of the workforce plays an essential role in the development or prosperity of any business organization. Absenteeism is a crucial problem and can cause a serious threat to any organization. ⁴

Based on Andrew(2017), absenteeism creates problems, which have far-reaching consequences, and does not only affect the bottom line of a business. They affect the organization's finances, productivity, the workplace morale and the whole working staff.

According to Akerlof(1982), when organizations pay high wages, employees regard this as a gift and react with positive reciprocity by providing more work efforts and by being less absent. On the contrary as mentioned, by Dohmen et al.(2006), low wages lead to negative reciprocity behavior by the employees and more absenteeism.

One of the reasons for absenteeism is a lower wage, as an employee may stay absent from work to work elsewhere, in order to improve his income. ⁵

As mentioned by Monforton(2018), a \$1 increase in the minimum wage equals a six-hour reduction in absenteeism per employee per year. This is because better wages allow the employees to afford better quality food, health care and housing. They no longer need to be absent from work, due to their illness or the illness of a family member.

3.2 The impact of fair equity increase in wages & compensations (independent variable) on employees ' motivation (dependent variable)

Since motivation as stated by Muo(2013) influences the performance of employees and the extent to which the organization is able to achieve its goals, it is one of the greatest challenges facing the management of any organization.

According to Saad(2018), the motivation of employees is considered a key factor for the success of the organization. Without motivation, it would not be possible to retain efficient and proficient employees. When efficient employees are rewarded, they are kept motivated in a positive manner. Not only will they assist the organization to earn profit, they also assist it in building a higher brand value among its potential customers. If the organization has strong financial resources, then it can present more lucrative offers to its employees.

As mentioned by Opashl & Dunnette(1966), compensations and pay play an essential motivational role and have motivational impacts.

In accordance with Fisman & Michael(2018), when an organization pays wages that are higher than the market rate, it makes work more desirable and creates an essential motivating force for its employees. It also prevents employees from slacking off, since they will not be able to find jobs, which pay higher than the market

⁴ Employee Absenteeism. (n.d.). Retrieved December 26, 2019, from <http://www.economicdiscussion.net/human-resource-management/employee-absenteeism/31919>.

⁵ Employee Absenteeism. (n.d.). Retrieved December 26, 2019, from <http://www.economicdiscussion.net/human-resource-management/employee-absenteeism/31919>.

rate. At the same time, when an organization offers unexpected wage increases, employees reciprocate by working harder.

Employees expect "equity norm", which is a fair return for their contributions to their jobs. To motivate the employees to work harder, any increase in wages should be at least 7 to 8%, to enable the employees to increase their household material prosperity and their overall sense of well-being.⁶

As stated by Howrtz et al. (2003), very competitive wages is the first ranked factor in the most effective strategies for motivating employees.

Employees as mentioned by Singh(2017) constantly hear about cutting costs such as benefits, payroll & layoffs and managers in several organizations increase the responsibilities of the employees with no or little increase in their wages. This is counterproductive and leads to the decrease of the morale of the employees.

Based on Schuler(1998), if the compensations are not viewed as internally equitable and externally competitive, efficient employees will leave the organization.

3.3The impact of fair equity increase in wages & compensations (independent variable) on employees ' attitude (dependent variable)

Based on Kitheka(2015), it is important for organizations to recognize the attitude of its employees to enable them to work together in groups, in order to achieve the objectives of the organization.

The organization's ability to properly implement compensations will according to Kitheka(2015)strongly affect the attitude of its employees.

In accordance with Perry et al.(2009) , pay in general leads to desired attitude such as high performance.

As mentioned by Wanger(2007) wages influence the attitude of the employees. If the employee will be satisfied with his wage, positive personal attitudes will arise which will affect his behavior.

According to Messer, & White(2006), fairness influences the behavior of the employee. If unfairness is perceived, then he will demonstrate a detrimental and counterproductive attitude.

IV. Methodology

This study analyzes the association between employees' low absenteeism, motivation and attitude as the dependent variables and fair equity increase in wages & compensations as the independent variable.

4.1. Population of study

The research was conducted with a sample of 97 participants, representing the human resources management in multinational companies in Egypt. The sample represents both the male and the female employees.

4.2 Methods of data collecting

This research is a survey-type study. A questionnaire was developed in order to collect data. Questionnaires were distributed to 97-targeted respondents working as HR managers, HR specialists and HR assistants. A cover letter that assured the confidentiality of the information they provided and explained the research objectives and the directions for completing each survey accompanied each questionnaire. It was sent directly to the employees to fill in the survey.

4.3 Instrument

The questionnaire was designed to accomplish the research's objectives. It consists of questions that represent all the variables of this study. In order to ensure consistency of the results, the questionnaire is based on five point Likert-scaling with 1 strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree.

The first section collected information related to age, gender, marital status, position, and so on.

The second section included questions that answered the objectives of the research.

4.4 Methods of data analysis

Statistical analysis was conducted using the Statistical Package for Social Sciences software (SPSS). To test the hypotheses and to examine and analyze the variables of the research, Mean and Standard Deviation

⁶ *Salary Increases and Employee Motivation.* (2016, June 4). Retrieved December 27, 2019, from <https://www.svmglobal.com/blog/salary-increases-and-employee-motivation>.

were used to calculate the variation of responses and the central tendency. Cronbach Alpha Correlation Coefficient was used to compute the reliability and Simple Linear Regression, ANOVA Analysis and Pearson Correlation were used to test the three hypotheses.

V. Data Analysis And Findings

5.1 Frequency and descriptive data

100 responses were collected out of a total of 125 questionnaires which were distributed to the employees working at the human resources department in multinational companies in Egypt. Three questionnaires were excluded from the study, as they were not complete. The remaining 97 responses were used for analysis.

Out of 97 respondents, total of 80 (82.5 %) were male respondents, and total of 17 (17.5 %) were female respondents.

Table 1 below shows the gender distribution of respondents.

	Frequency	Percentage
Gender		
Male	80	82.5
Female	17	17.5
Total	97	100.0

Table 1: Gender distribution of respondents

Source: By researcher

The majority of respondents have less than 5 years' experience (n = 70, 72.2 %) as shown in Table 2 below.

Table 2 below demonstrates the experience of respondents.

	Frequency	Percentage
Experience		
5 or less	70	72.2
6-10	20	20.6
11 or more	7	7.2
Total	97	100.0

Table 2: Educational level of respondents

Source: By researcher

The largest number of respondents were HR Assistants (n = 34, 35.0%), followed by HR Managers (n = 29, 29.9%) and HR Specialists (n = 22, 22.7%) as shown in Table 3 below.

Table 3 below demonstrates the jobs of respondents.

	Frequency	Percentage
Job		
HR Managers	29	29.9
HR Specialists	22	22.7
HR Assistants	34	35.0
Others	12	12.4
Total	97	100.0

Table 3: Jobs of respondents

Source: By researcher

The distribution percentage of the respondents according to age group were 56.7 % of the respondents were from 18 to 25 years old, 19.6 % were from 26 to 30, 23.7 % were 30 or more as shown in Table 4 below.

Table 4 below demonstrates the age of respondents.

	Frequency	Percentage
Age		
18-25	55	56.7
26-30	19	19.6
30 or more	23	23.7
Total	97	100.0

Table 4: Age of respondents

Source: By researcher

The distribution percentage of the respondents according to marital status was 71.2 % of the respondents were single and 24.7 % were married as shown in Table 5 below.

Table 5 below demonstrates the marital status of respondents.

	Frequency	Percentage
Marital Status		
Single	69	71.2
Married	24	24.7
Divorced	4	4.1
Total	97	100.0

Table 5: Marital Status of respondents

Source: By researcher

The total of 26 (26.8%) respondents have postgraduate degree (MSc) and 47 (48.5 %) respondents have bachelor degree as shown in Table 6 below.

Table 6 below demonstrates the educational level of respondents.

	Frequency	Percentage
Education		
PhD	24	24.7
MSc	26	26.8
BSc	47	48.5
Total	97	100.0

Table 6: Educational level of respondents

Source: By researcher

5.2 Reliability Test

According to Sekaran (2003) a scale alpha value bigger than (0.7) is considered a good reliable. The Cronbach's alpha reliability value of the variables of this study is (0.812). Therefore, the reliability value of the research's data reflects a high level.

5.3 Results

5.3.1 Fair equity increase in wages & compensations

Table 7 below shows the mean and standard deviation of the fair equity increase in wages & compensations. The mean score for fair equity increase in wages & compensations is (2.664). The majority of respondents chose "Fair equity increase in wages & compensations is a priority of the HR department" with (4.0103) as a mean value. The second preferred choice was "Wages are equivalent to the work performed" with (3.1134) as a mean value.

The bottom three choices were "Wages are less than those paid by similar companies", "Wages are not sufficient to compensate for the duties carried out" and "There were several complaints from the employees regarding their pay so far" with mean values (1.6082), (1.6495) and (2.0103) respectively.

Item	Mean	Standard Deviation	Percentage
Fair equity increase policy in wages	2.7010	1.24302	54.02
Fair equity increase policy in compensations	2.7938	1.23270	55.876
Wages are equivalent to the work performed	3.1134	1.23218	62.628
There were several complaints from the employees regarding their pay so far	2.0103	1.00514	40.206
A fair wages administration	3.0412	1.18073	60.824
Fair equity increase in wages & compensations is a priority of the HR department	4.0103	.96280	80.206
Employees are rewarded fairly and equitably compared to colleagues of the same level who are performing the same work	2.7938	1.24112	55.876
Employees are rewarded fairly and equitably in comparison to employees outside the company	3.0412	1.10790	60.824
Fair and equitable compensation is of important interest to the company.	2.6082	1.14161	52.164
Wages & compensation policy is constantly reviewed for the interest of the employees	2.5979	1.22185	51.958
Wages are not sufficient to compensate for the duties carried out	1.6495	.89024	32.99
Wages are less than those paid by similar companies	1.6082	.87270	32.164
Total	2.664	1.1109	53.281

Table 7: Mean and standard deviation for each question of the fair equity increase in wages & compensations

Source: By researcher

5.3.2 Employees' absenteeism

The mean score for Employees' Absenteeism shown in Table 8 below is (2.821).

“Due to the organization's fair equity increase in wages and compensations, employees' absenteeism is low” and “Employee's absenteeism is low” have mean values (3.4639) and (3.0722) respectively. “The company suffers from excessive employee's absenteeism” with (1.9794) as a mean value.

Table 8 below demonstrates Mean and standard deviation for each question of employees' absenteeism

Item	Mean	Standard Deviation	Percentage
The company suffers from excessive employee's absenteeism	1.9794	1.15451	39.588
Employees' absences are always legitimate	2.7320	1.30316	54.64
Employee's absenteeism is low	3.0722	1.36357	61.444
The low employee's absenteeism in the company is not a challenge for its business	2.7526	1.23348	55.052
Employees are absent from work less than 10 days per year.	2.9278	1.15693	58.556
Due to the organization's fair equity increase in wages and compensations, employees' absenteeism is low	3.4639	4.76983	69.278
Total	2.821	1.830	56.42

Table 8: Mean and standard deviation for each question of employees' absenteeism

Source: By researcher

5.3.3 Employees' motivation

The mean score for employees' motivation is (2.9227). Table 9 below shows “Fair equity increase in wages and compensations increase the levels of the employees' motivation” and “The wages and compensations are sufficient to motivate the employees” with mean values (3.5155) and (3.1959) respectively. The lower mean value is (2.1753) for “There is a lack of motivation between employees”.

Table 9 below demonstrates mean and standard deviation for each question of employees' motivation

Item	Mean	Standard Deviation	Percentage
The company's wages and compensation policy makes the employees motivated	2.7216	1.37494	54.432
There is a lack of motivation between employees	2.1753	1.22483	43.506
Fair equity increase in wages and compensations increase the levels of the employees' motivation.	3.5155	1.20859	70.31
The wages and compensations are sufficient to motivate the employees.	3.1959	1.27997	63.918
Employees are highly motivated and engaged	3.1856	1.27745	63.712
Employees' motivation is highly important	2.7423	1.25232	54.846
Total	2.9227	1.269	58.454

Table 9: Mean and standard deviation for each question of employees' motivation

Source: By researcher

5.3.4 Employees' attitude

The mean value for employees' attitude as shown in Table 10 is (2.83676). The high score was for “Fair equity increase in wages and compensations positively influence the employees' attitude” with mean value (3.2062). The bottom rank is for “The negative attitude of the employees' which is present in the company affects everyone's performance” with mean value (2.6392).

Table 10 below demonstrates mean and standard deviation for each question of the employees' attitude

Item	Mean	Standard Deviation	Percentage
Fair equity increase in wages and compensations positively influences the employees' attitude	3.2062	1.33024	64.124
There is a lack of pooremployees' attitude	2.6495	1.25865	52.99
Employees are satisfied with the wages and compensations policy of the company	2.8969	1.38055	57.938
The negative attitude of the employees which is present in the company affects everyone's performance	2.6392	1.24319	52.784
Employees are happy and engaged	2.9072	1.28357	58.144
Managers encourage and recognize employees with positive attitudes	2.7216	1.40492	54.432
Total	2.83676	1.316	56.73533

Table 10: Mean and standard deviation for each question of employees' motivation

Source: By researcher

5.4 Test of Hypotheses

Linear regressions were used to test the hypotheses.

H1: Fair equity increase in wages & compensations has a significant impact on employees ' low absenteeism

Table 11 below shows the results of regression for fair equity increase in wages& compensations against employees ' low absenteeism.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
H1	0.344	0.119	0.109	1.13496

Table 11: Regression model summary for H 1

Source: By researcher

Based on Table 12 below, the overall result for the regression model was significant ($p = 0.001 < 0.05$), the result of the test shows that fair equity increase in wages & compensations has significant impact on employees' low absenteeism. This means that if fair equity increase in wages & compensations is increasing, employees' low absenteeism may also increase and vice versa. Depending on the R Square value of (0.119), fair equity increase in wages & compensations could explain 11.9% variation in employees' low absenteeism.

Model	Sum of Squares	Df	Mean Square	F	Sig.
H1					
Regression	16.474	1	16.474	12.789	0.001 ^a
Residual	122.373	95	1.288		
Total	138.847	96			

Table 12: ANOVA Table for H1

Source: By researcher

H2: Fair equity increase in wages & compensations has a significant impact on employees ' motivation

Table 13 below shows the results of regression for fair equity increase in wages & compensations against employees ' motivation.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
H2	0.238	0.057	0.047	0.79053

Table 13: Regression model summary for H 2

Source: By researcher

Based on Table 14 below, the overall result for the regression model was significant ($p = 0.019 < 0.05$). Fair equity increase in wages & compensations significantly impacts employees ' motivation. The result indicated that fair equity increase in wages & compensations could be used to predict employees ' motivation. This means that if fair equity increase in wages & compensations is increasing, employees ' motivation may also increase. Depending on the R Square value of (0.057), fair equity increase in wages & compensations could explain 5.7% variation in employees ' motivation.

Model	Sum of Squares	Df	MeanSquare	F	Sig.
Regression	3.579	1	3.579	5.728	0.019 ^a
Residual	59.368	95	0.625		
Total	62.948	96			

Table 14:ANOVA Table for H2

Source: By researcher

H3: Fair equity increase in wages & compensations has a significant impact on employees ' attitude

Table 15 below shows the results of regression for fair equity increase in wages& compensations against employees ' attitude.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
H3	0.331	0.110	0.100	0.81091

Table 15: Regression model summary for H 3

Source: By researcher

Depending on Table 16 below, the overall result for the regression model was significant ($p = 0.001 < 0.05$). The result of the test shows that fair equity increase in wages& compensations has significant impact on employees ' attitude.This result supports the third research hypothesis. Therefore,employees ' attitude depends on fair equity increase in wages& compensation. This means that if fair equity increase in wages& compensations is increasing,employees ' attitude may also increase and vice versa.Dependent on the R Square value of (0.110), fair equity increase in wages& compensations could explain 11% variation in the employees' attitude.

Model	Sum of Squares	Df	MeanSquare	F	Sig.
Regression	7.696	1	7.696	11.703	0.001
Residual	62.470	95	0.658		
Total	70.166	96			

Table 16:ANOVA Table for H3

Source: By researcher

5.5 Pearson Correlation

Table 17 below provides the correlation analysis between fair equity increase in wages& compensations and employees ' low absenteeism, motivation and attitude.

Pearson correlation was used to describe the strength linear relationship between fair equity increase in wages& compensations and the three above-mentioned dependent variables. All variables used in this study are positively correlated with each other. These relationships are significant at 5% level of significance. The correlation coefficient between (fair equity increase in wages & compensations) and each variable (employees' low absenteeism), (employees' motivation) and (employees' attitude) is (0.344, 0.238 and 0.331) respectively. The correlation between fair equity increase in wages & compensations and employees ' low absenteeism is stronger than employees ' motivation and attitude.

		Employees' low absenteeism	Employees' Motivation	Employees' attitude
Fair equity increase in wages & compensations	Pearson Correlation	0.344	0.238	0.331
	Sig. (2-tailed)	0.001	0.019	0.001
	N	97	97	97

Table 17:Pearson Correlation

Source: By researcher

VI. Discussion and Conclusion

This study has investigated the relationship between fair equity increase in wages& compensations and employees ' low absenteeism, motivation and attitude. The study revealed that there is a significant impact from fair equity increase in wages& compensation on employees ' low absenteeism, motivation and attitude in multinational companies in Egypt.

As noticed from the analysis, due to the organization's fair equity increase in wages and compensations, employees' absenteeism is low. It increases the levels of the employees' motivation and positively influences the employees' attitude.

The present results has indicated that the correlation between fair equity increase in wages & compensations and employees' low absenteeism is strongest ($r = 0.344$), this was followed by employees' attitude ($r = 0.331$) and employees' motivation ($r = 0.238$).

VII. Recommendation

This study suggests that investing on fair equity increase in wages & compensations is important towards achieving low employees' absenteeism, increasing employees' motivation and positively influencing their attitudes.

It is necessary for the management to meet the demands of their staff and improve their conditions to maximize organizational commitment.

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