

A SEM Analysis of Work Preferences, Motivations and Earnings in Informal Market

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Abstract

The study aims at investigating the effects of earnings and improvement in human capital on the work satisfaction considering the mediating role of motivational factors for a unique sample of female workers involved in informal market in Punjab, Pakistan. The survival analysis based upon structural equation modeling has been used to draw empirical evidences. Consistent with the backward-bending labor supply curve, higher earnings appears to be a negative determinant of work satisfaction for female employed in informal sector. An important insight of such results is the cost (labor-leisure tradeoff) and work conditions, which are avoided with higher earnings of female workers in informal market. Besides, results drawn from structural equation modeling (SEM) indicated that female workers in informal market are penalized by health hazards (injuries), domestic responsibilities (opportunity cost) and restrictions to spend their earnings (lack of independence), which further adds miseries to their lives. Motivational factors such as rewards, education, advance payments and awareness (information regarding labor laws) can have positive associations with their earnings. Conversely, as female workers draw themselves out of informal market, they acquire more education, which is the very reason that education has a negative relationship with work satisfaction of female workers derived from the informal market. All of the factors mentioned above call for the attention of policy makers to make substantial investment towards the development of human capital particularly in the informal sector.

Keywords: Backward bending labor supply curve, Informal market, Job-fit theory. Leisure-labor tradeoff, Motivations, Structural Equation Modeling (SEM), Work satisfaction,

Introduction

The recent literature on Behavioral Economics has led researchers to conclude that work satisfaction spills over motivational factors, human preferences and attitudes (Rain et al., 1991 and Tait et al., 1989).¹ Work life also offers a way of fulfillment and dignity (Sen, 1975). Not solely work life represents the financial gain for survival and improving the standard of life, but is largely an activity that captures the most time of our life. The analysis on human happiness (satisfaction) has shown that people who earn are more content with their lives as compared to the ones who are not earning (Frey and Stutzer, 2002). Studies by Cambell et al., (1976), Andrews and Withey, (1976), Near et al. (1984), Hart (1999) indicated that work and non-work domains (such as domestic responsibilities) are strongly influential on not only variance in work satisfaction but also life satisfaction. There appears a causal relationship between earnings and work satisfaction, as well as opportunity cost of working, backward bending supply labor curve. Much of the literature is dominant on the positive relationship between earnings and satisfactions (Hulin and Cain, 1969). Conversely, evidences are also found which reports negative relationship between the both (Super, 1980; De Kerpel, Dries, and Pepermans; 2007). The negative relationship between work satisfaction and earnings is not only the proof of backward bending labor supply curve but also shows that money does

¹¹ <http://www.aabri.com/manuscripts/141782.pdf>

not buy happiness and satisfaction. In the case of informal market, labor is paid according to the number of products they produce, which embodies costs after a certain limit, in the shape of loss in leisure time, less time for family and lesser time for activities outside the work. This reflects the possibilities of negative relationship between earnings and work satisfaction in informal market. Similarly, main purpose of female workers involving in informal market is earning to meet their basic needs, but unfortunately these female workers are paid at terribly low levels, which are not even enough to fulfill their very basic needs (Punjab Bureau of Statistics, 2016). These female workers (on average) are unsatisfied with their work environment and payments but they stick to their work (Hassan S. M., 2014). These female worker begin working at a very young age and often leave informal market if are given chances to improve their education as they are already unsatisfied with their work. The push and pull factors help female workers to improve human capital and having given a opportunity they leave informal markets, rather than staying attached to informal markets with higher earnings from working extra hours.

Another important issue to be considered here is that this sector is mostly dominated by female workers. The reason behind is that unlike female workers, male workers are employed in formal sector having wider range of choices and lesser domestic responsibilities. Whereas, female workers are helping men to improve material conditions of their family, which latter effectively lead towards poverty reduction (Azid, Aslam, & Chaudhary, 2001). Statistics report that ninety-one percent of workers in informal market of Punjab are female (Punjab Bureau of Statistics, 2016). Majority of these female workers are working directly from their homes, with supervision of their employers. The work place flexibility provides an opportunity to have work-life balance, which also keeps them stuck at informal market at a very low payment in the early stages of work. However, with the improvement in education and awareness, they migrate to higher earning formal market with better employment environment.

Generally, much of the efforts are made in the direction of spurring growth at the formal facet of the market on the cost of ignoring informal market. A study by (Jhabvala, 2013), reports that informal market in India is always overlooked and was never even considered essential for research purposes, let alone be considered for making efforts to expand its part in the market. Furthermore, it is an alarming fact about female involved in informal market that it manifests itself into a form of informal bonded labor because such female workers are poor and are hardly ever heard. Dismally, there is plethora of other female workers who are willing to do such work on minimum wage rates as a culprit of poverty (Hassan & Azman, 2014). No matter how satisfied they are with their work situation or not, poverty, low education, work place flexibility, domestic responsibilities and lack of awareness pushes them to get exploited by unfavorable working conditions and low wages and poor working conditions.

Considering the above literature, the purpose of this research is to revisit some common relationships while adding clarification to other motivational factors of earnings that may lead to work satisfaction for these female workers. Precisely, this study explores the antecedents that may directly and indirectly donate to variances in earnings and extends this to investigate the associations between earnings, human capital (health and education), work motivation and work satisfaction. This study deeply explores the factors of motivations and on overall work satisfaction for aforementioned sample. Considering the gravity of issue, it's extremely vital for policymakers to invest towards the development of human capital, especially associated with informal market. The first step in the regard could be getting to know individuals' work preferences and their level of satisfaction from work. This will eventually have a trickle-down effect in the informal sector and helps in enhancing working conditions at informal marketplace.

Work Satisfaction: Conceptual Linkages

There are various different factors that contribute towards the work satisfaction of the workers. When it comes to female working in informal market, such as those female who are working directing at their homes without direct supervision of the employers, the situation is no different. It was indicated by Home Based Workers Survey (2016) that approximately 48 percent of female working in informal market (who are working directing at their homes without direct supervision of the employers) is explained as follows.

Health (Human capital)

The expected relationship between the health of female working in informal market and work satisfaction is a positive one. It is expected that, better the health of these workers then they will be more satisfied with their work. As far as health of female working in informal markets in Punjab are concerned then it was reported by Home based workers survey (2016) that around 60 percent of them reported that they are suffering from some kind of disease due to the nature of their work and 17 percent of them said that they even have to face some kind of injury while working in informal market. Nearly 24 percent of them said they bear headaches, around 19 percent reported backaches, while about 11 percent said that they have problems related to their eyesight. A small amount (1.2%) of female working in informal market also reported respiratory problems. It was further indicated in report that in case of any injury only 10.7 percent of the female working in informal market visit hospitals. Therefore, it makes sense that due to health conditions, female working in informal market of Punjab might not be work satisfied.

Education (Human capital)

It is expected that if female involved in home based in work (informal market) have lower level of education and this is why they remain stuck to home-based work. As education and awareness improves, work satisfaction from informal market will also reduce and they will find opportunities in formal market. This is due to the fact that, with higher level of education they will be able to secure work that provides them higher wage. This is the very reason that majority of the female who are associated with the informal market are either not educated or have very low level of education. As indicated in Home based workers survey (2016) that approximately only 55 and 53 percent of female workers are able to read and write, respectively. Moving forward it was depicted in Home based workers survey (2016) that around 43 percent of the female working in informal market never attended school, whereas nearly 25 percent of them have less than primary education only around 32 percent of them are able attain primary or above education. One of the major reasons for not attending school was poverty. About 62 percent of the female working in informal market are not able to attend school because they are too poor to afford going to school Home Based Workers Survey (2016). This could explain why female working in informal market are dissatisfied from their work because lack of education prevents them from securing high earning works outside informal market, which as a result prevents them from improving their economic situation and break the chains of poverty.

Age

It is expected that as the age of the female home-based worker increases, their level of work satisfaction decreases because in the old age usually workers find it difficult to perform their duties optimally. Also with age, awareness increases and this female move towards formal market where they can earn higher. It will also have a negative impact on their health as well. As it was indicated in Home Based Workers Survey (2016) that female participation in home-based work decreases as her age increases. Highest level of the percentage of their engagement decreases from 93.6 percent in the age bracket 19-24 years, to 91.9 percent in age group of 25-40, to 87.6 percent in the age

group of 41-60 years, and to 77.3 percent in the age group of 60 years and above. Therefore, it is implied that work satisfaction of the female working in informal market decreased as they age.

Experience

It is expected that as the female working in informal market gain experience they will be able to earn more and hence will be more financially satisfied. However, experience comes with age and as reported by Home Based Workers Survey (2016) that in the field of informal female tend to drop out of it instead of keeping their work. The survey also reported that participation of female who are 60 years and above had been reduced tremendously. It was also indicated by Boockmann et al, (2004) that experience comes with age and an experienced worker is able to do the work in a skillful manner. In this way an experience worker becomes more productive and able to generate higher level of work satisfaction for herself, however the work satisfaction from experience is derived from financial satisfaction. Adding to above, the mental abilities of the workers decline after the age of fifty, which prevents them from working in a productive manner (Skirbekk, 2004). Therefore, experience does help worker to derive higher level of work satisfaction but is only applicable to a certain age and only if it is also connected with financial satisfaction (increasing slope of earnings).

Earnings

As far as earnings of the female working in informal market are concerned, it is expected that as the income increases, work satisfaction is also increases. It was indicated by Home Based Workers Survey (2016) that on around 65 percent of female working in informal market earn in the category of PKR: 1000 to 7000/ per month. While nearly 23 percent of them earned more than PKR: 7000/ and about 11 percent of them earn less than PKR: 1000/. However, the backward bending supply curve states a negative relationship between work satisfaction and increase in earnings, particularly because of leisure-labor trade off.

Low earnings along with working environment also explain why satisfaction and earning could be negatively co-related. Another important insight here is that female workers who earn higher from informal market are less satisfied with their work because they function under more stress and mental pressure. With standing above, as a worker mature with age, acquires education and become more aware of her labor rights, the implicit expectation is that they would strive towards activities which make them more financial satisfied, as well as work satisfied. This is the very reason that with maturity and increase in education and awareness, female worker transfer to work based in formal market as they are not satisfied working in informal market.

Domestic responsibilities

The relationship between the domestic responsibilities and work satisfaction can be both negative and positive. As it was discussed by (Hassan, 2015) approximately 69 percent of Female working in informal market are satisfied with their work because this work helps them not only earn a living for themselves but also able to fulfill their domestic responsibilities along the way. There are also female who do not like their work because instead of helping them, this work is creating more difficulties for them in terms of health, domestic life (labor-leisure tradeoff) and time management. As indicated by Hassan (2015), around 16 percent of the female do not like engaging in home-based work of informal economy. This is due to the fact that they are getting very low wages and along with that they have to perform their domestic responsibilities as well. This puts them under the burden of double responsibilities, as they were doing both domestic work and earning livelihood for the family.

It is expected that if their husband/father/brother is cooperative and supportive towards their work then female might be able to derive higher level of satisfaction from their work. Home Based Workers Survey (2016) reported that approximately 60 percent of the female who are involved in

informal market work are married, whereas 31 percent of them never married and rest of them falls under the category of widow divorced or separated. Also domestic responsibilities are more on married female, which motivates them to work and remain satisfied under harsh conditions as well. For them, something is better than nothing. On the other hand, it would not be a surprise that female working in restrictive environment, which is imposed on them due to their marital status and culture, find it difficult to achieve higher level of work satisfaction.

Workplace and Safety

Working in an amiable environment is one of the pre-requisites of work satisfaction. Overall working conditions of female working in informal market are humane and worker friendly but there are some cases in which it was reported otherwise. It was indicated in home based workers survey (2016) that 13.1 percent of the female working in informal market reported that their workplaces are poorly lit. Also, a very small percentage (nearly 3%) of female working in informal market indicated that their workplace is congested and they have work in hot and suffocated environment and they have to work amid dust and fumes. A very negligible amount (about less than 1%) of female working in informal markets are indicated working with sharp tools / machines and that they face chemical hazards at their workplace. Considering these factors it would not be wrong to assume that work place environment would play an important role in providing satisfaction to the workers. However, the flexibility of workplace could motivate workers to remain attached to informal market, despite of being satisfied with work. This will also explain the mixed results for work place environment and work satisfaction.

Spending Decisions

It is expected that if workers are able to make independent spending decision then they will be more satisfied with their work, as they are more motivated to work. It was reported in Home Based Workers Survey (2016) that approximately 82 percent of Female working in informal market receives wages of their work themselves. Though when it comes to decision making then it was indicated by that nearly 71 percent of female working in informal markets reported that they make their decision themselves when it comes to the home-based work, procurement of raw materials and spending of their income. Therefore, it is implied that having autonomy on making spending decisions contributes towards motivation to work.

Theoretical Background

The theoretical linkages among motivation for work, experience, earnings and work satisfaction are explained in figure 1 below. Gaining experience of a particular work is associated with positive emotional response of motivational factors such as workplace flexibility, measures taken to prevent health hazards i.e. injuries, advance payments for work and household responsibilities i.e. taking care of family. Furthermore, the degree to which workers may stay in work is positively linked with earnings (Locke, E.A; 1976). The more motivated a worker is to work, the more experience she will gain and the more will be earnings.

The relationship between earnings and work satisfaction is complex. Earlier studies have reported negative and positive associations between the two variables. It is largely perceived that higher the earning will lead to more work satisfaction Hulin and Cain (1969). On the hand, proponents of backward-bending supply labor curve, suggest that workers often face tradeoff at higher earnings with leisure time (non-paid time), which could be a very reason of negative associations among the two (Ada Ferrer-i-Carbonell; 2010). Furthermore the risks and effort that takes to perform beyond a certain level requires sacrificing domestic responsibilities, health and family time.

This results in mental problems such as stress, exertion and illness, which may lead to negative associations of higher earnings with work satisfaction especially in the case of informal market.

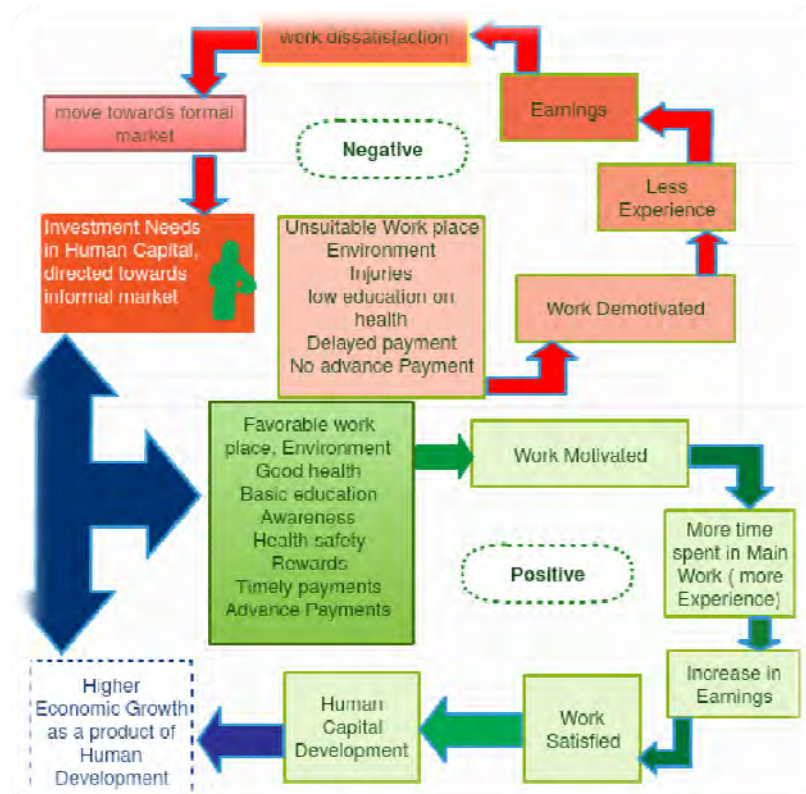


Figure 1. Theoretical Linkages (Source: Designed by the Authors)

The negative relationship between earnings and work satisfaction also reflects that money cannot buy satisfaction and happiness. Perhaps this is also predictive of the fact that the pursuit for acquiring more and more never ends. Once one goal is met, human nature compels one to instantly replace the previous goal by another goal. This vicious circle of acquiring more and more comes with the cost of labor-leisure trade off, which leads to less work satisfaction. This also relates to the lend credence to the old sayings that with the money, comes more problems and responsibilities which makes one to worry more. It's is quite conceivable that satisfaction may result from financial gains, but the toil, tears and sweat that comes along extra labor work will have negative association with overall work satisfaction. The studies by De Kerpel, Dries, and Pepermans (2007) have also found similar results. Considering this, the relationship among work satisfaction and earnings shows mixed results. Figure 1 elaborates the linkages among, motivational factors, experience, earnings and work satisfaction.

Figure 2 shows path diagram to investigate the relationships between factors of motivation and earnings on work satisfaction of female workers engaged in informal market in Punjab, Pakistan. A concept of work satisfaction is significantly associated with economic gains such as rewards, pays and advance payment which an individual receives from work (Heneman, H.G., III; Schwab, D.P.; 1985; Smith, P.C.; Kendall, L.M.; Hulin, C.C.; 1969; Judge, T.A. et al., 2010; Parker, K.N, et al. 2016; , Gerhart, B. et al, 2003; , Currall, S.C. 2005). In such regards a variety of factors such as rewards (Locke, E.A., 1976, Smith et al. , 1969) motivation, age, advance payments, education

(Bender, K.A., 2009; Canal Domínguez et al, 2013), and health hazards faced during work such as injuries and awareness of labor laws can have significant impact on earnings (see equation 1). Whereas, behavioral biases such as motivational factors can make a worker stayed connected with work and indirectly affect earnings.

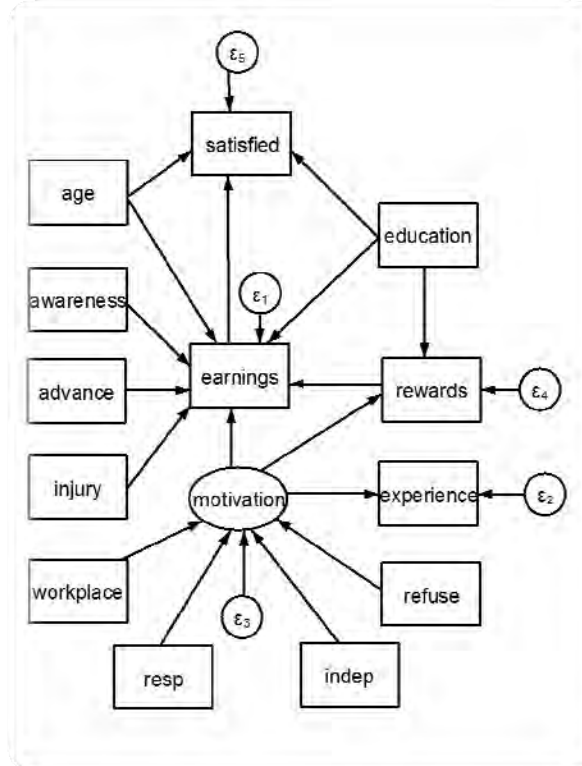


Figure 2. SEM Model (Source: Designed by the Authors)

Note: Standardized path coefficients are indicated by lines with arrows; Circles/ovals represent latent constructs, whereas, Rectangles represent indicators.

Proceeding above, work satisfaction may increase or decrease as a worker ages (matures) and acquires education (Bender, K.A., 2009). The reason being that education provides better opportunities and increase awareness of workers regarding informal and formal market (see equation 2). Rewards can also bring a positive impact on earnings (Gaeta, G.L et al., 2016). Rewards are kind of motivation to work, where education can have a direct link in acquiring rewards and better understanding of work (equation 3).

Studies by Millette, V.; Gagnè et al. (2008) and Huang, X, et al, (2003) have looked into the relationship between motivation on work satisfaction and earnings. The more motivated a worker is, the more she will remain attached to work i.e. gain experienced (equation 5). Whereas a worker may be motivated by the workplace environment, domestic responsibilities and independence to spend their own earned money (Hackman, R; 1975). The impact of work place on workers performance is a concept of job-fit theory (Schneider, B; 1995). The job-fit theory corresponds to how environment (work place conditions and motivations) and knowledge (education and awareness) can affect workers' performance (Equation 4).

Methodology

The empirical analysis is based on a Punjab's (Pakistan) representative survey which was designed and collected by Punjab Bureau of Statistics (BOS) in 2016 with the intention of providing researchers and policy makers with an opportunity to understand a typical form of informal sector, in which female carries their work in isolation at their. A data set used in this study is a sub-sample of 4012 female associated with such labor class of informal market, who are directly working at their homes without any supervision of their employers. Considering the figure 2, following five equations are estimated using structural equation modeling technique;

$$\text{Earnings} = F(\text{Rewards, Motivation, Age, Advance, Education, Injury, Awareness}) \dots (1)$$

$$\text{Satisfied} = F(\text{Age, Education, Earning}) \dots (2)$$

$$\text{Rewards} = F(\text{Motivation, Education}) \dots (3)$$

$$\text{Motivation} = F(\text{Refuse, Resp., Indep., Workplace}) \dots (4)$$

$$\text{Experience} = F(\text{Motivation}) \dots (5)$$

Where,

Satisfied (work satisfaction) = "How much satisfied are you with your current work"?

Rewards = "Did you ever get extra payment/ Reward from owner/ contractor"?

Experience = "How long period you related to the current (main) work"?

Motivation = Latent Endogenous variable

Age = Age of the respondent

Advance = "Received any Advance"?

Education = "Have you ever attended school or preschool"?

Injury = "Have you suffered any injury / accident during current / additional work"?

Awareness = "Are you aware about Labor Laws"?

Earnings = Daily earnings

Refuse = "What was the reason of refuse / not asking for the increase in payment"?

Resp. = "Does your current work effect your domestic responsibilities"?

Indep. = "Who decides to spend income which you earn from your current (main) work"?

Workplace = "kindly let me know, where do you perform your current (main) work"?

Motivation = latent variable

Structural Equation Modeling (SEM) methodology has widely gained importance due to its ability to consider latent and observed factors in a single measurement model or latent variable model. Using maximum likelihood method of estimation through Structural Equation modeling (SEM), equation (1) to equation (5) are estimated which are based upon equation (6) and (7) below;

$$Y = \Lambda_y \xi + \delta \dots (6)$$

Whereas in equation (6), Y is a vector of column associated with exogenous variables, and δ is a vector of column associated with error term, Λ_y represents structural co-efficient matrix for the effects of latent exogenous variables (motivation) on the observed variables. The equation for the latent variable (motivation) is as following;

$$\eta = A\eta + \Gamma \xi + \zeta \dots (7)$$

Whereas, in equation (7), eta (η) is endogenous latent variable's vector, $\xi(y)$ is exogenous latent variable's vector and zeta ζ represents random variable's matrix. Note the in figure 2, the latent variable is motivation, whereas, observed endogenous variables are experience, rewards, earnings and satisfaction (satisfied). Observed endogenous variables may include all other factors such as injury, domestic responsibilities (resp.), independence to spend money (indep.), workplace, rewards, age, advance, education, awareness, earnings and refusal reasons (refuse).

Results

Table 1. SEM Estimates

	Equation 1	Equation 2	Equation 3	Equation 4	Equation 5
Variables	Earnings	Satisfied	Rewards	Motivation	Experience
Rewards	42.51*** (14.05)				
Motivation	1 (0)		0.000559** (0.00026)		0.133*** (0.0447)
Age	1.720*** (0.443)	-0.00756*** (0.00257)			
Advance	29.39*** (9.264)				
Education	6.642*** (1.11)	-0.0169** (0.00816)	0.00133 (0.00125)		
Injury	-7.895 (7.756)				
Awareness	29.63*** (9.249)				
Earnings		-0.00023** (0.00012)			
Refuse				-0.544 (0.711)	
Resp.				4.551** (2.102)	
Indep.				21.75*** (7.256)	
Workplace				7.967 (5.413)	
Constant	-104.0*** (36.7)	4.093*** (0.101)	2.010*** (0.0122)		3.600*** (0.677)

Note: *** p<0.01, ** p<0.05, * p<0.1, Standard errors in Parentheses

The results from table 1 and figure 3 predict that earnings are significantly associated with work satisfaction of a female worker engaged in informal market (Heneman, H.G., III; Schwab, D.P.; 1985; Smith, P.C.; Kendall, L.M.; Hulin, C.C.; 1969; Judge, T.A. et al., 2010; , Parker, K.N, et al. 2016; , Gerhart, B. et al, 2003; , Currall, S.C. 2005). However, the relationship between them in informal market is negative in nature. A similar negative relationship was reported in the study by Ada Ferrer-i-Carbonell (2010) for the workers working in informal sector. The results are also consistent with the theory of backward-bending labor supply curve, which states that with higher earnings, the work satisfaction may decline under a set of assumptions. Costs such as labor-leisure tradeoff and work conditions without any extra-payments for working more, may contributes towards

decrease in work satisfaction despite of the fact that earnings may be on rising slope. It is important to note that financial satisfaction could be a determinant of work satisfaction, but work satisfaction is not only a function of (determined alone by) income/ financial satisfaction. The two terms may be co-related, yet different in nature. Besides, female workers in informal market are penalized by health hazards (injuries) and domestic responsibilities, which is a cost of earning more in by engaging in informal market and determine work satisfaction.

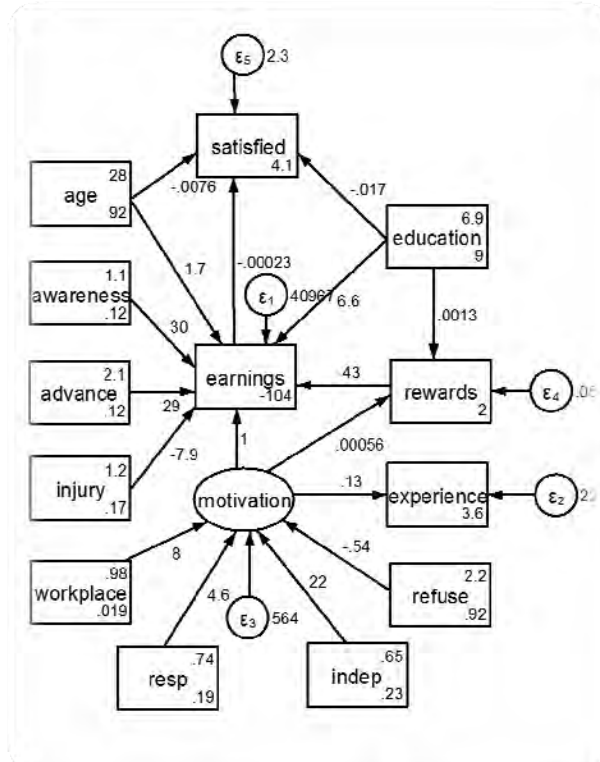


Figure 3. Results of Path analysis of Work Satisfaction

Note: n = 4012; standardized path coefficients are indicated by lines with arrows; Circles/ovals represent latent constructs, whereas, Rectangles represent indicators.

A variety of factors such as rewards, motivation, age, advance payments, education, awareness of labor and health hazards faced during work such as injuries laws have impact on earnings (see equation 1). The results from table 1 predict that with maturity (age), awareness increases leading higher earnings (Bender, K.A., 2009; Canal Domínguez et al, 2013). This is also the very reason why informal market of those female who are working directly at their homes in this sample set is largely consisting upon young girls. Education level also brings awareness and hence earning may rise, but might lead to decrease in work satisfaction derived from informal market. On the same hand, work benefit such as advance payments brings a significant and positive impact on earnings as shown in table 1. However, health hazards such as injuries have negative (insignificant) association with earning. Rewards can also bring a positive impact on earnings (Gaeta, G.L et al., 2016). Motivation to work and education (Bender, K.A., 2009) has a direct link on rewards (equation 3). Rewards have positive and insignificant impact on earnings (Locke, E.A., 1976, Smith et al., 1969).

The results predict that the more motivated a worker will be, the more will be her experience and more will be her earnings (equation 5 and equation 1). Motivation has positive and significant relationship with experience. Experience brings about a positive and significant impact on earnings

(Equation 1). The results are matching with study by Ada Ferrer-i-Carbonell (2010), Millette, V.; Gagnè et al., (2008) and Huang, X , et al, (2003).

Moreover, a female worker may be motivated by the workplace environment, domestic responsibilities (making her responsible and more serious about earning) and independence to spend their own earned money (Hackman, R; 1975). The results predict a positive and significant relation of domestic responsibilities (resp.), independence to spend own money (Indep.) on motivation for work. Workplace also has positive impact on motivation to work; however, the impact is insignificant on motivation to work. The impact of work place on workers performance is a concept of job-fit theory. The job-fit theory corresponds to how environment and awareness can affects work performance (Schneider, B; 1995). However, refusal to payments can demotivate a worker from performing work (Equation 4), which is the very reason why it has a negative impact on motivation to work, although the impact might not be significant.

Table 3. Post Estimation Tests

Post estimation Tests	Values
LR test of model vs. saturated	
Chi2 (25)	1463.5
Prob. > chi2	0.000
Goodness of Fit	
chi2_ms(20)	1463.496
p>chi2	0
chi2_bs(20)	1889.063
p>chi2	0
Stability Test	
Stability index	= (All the eigenvalues lie inside the unit circle.) SEM satisfies stability condition.
Akaike's information criterion and Bayesian information criterion	
AIC	169493.4
BIC	169650.8
Obs.	4012

Table 4. Wald Test for Equations

Equations	Dep. Var.	Values	
Equation 1	Earnings	Chi2	93.05
		P	0.0000
Equation 2	Satisfied	Chi2	17.34
		P	0.0006
Equation 3	Experience	Chi2	8.91
		P	0.0028
Equation 4	Rewards	Chi2	5.10
		P	0.0781
Equation 5	Motivation (latent)	Chi2	9.15
		P	0.0574

Table 5. Summary Statistics

Variable	Mean	Std. Dev.	Min	Max
Satisfied	3.722832	1.525466	1	5
Experience	6.810568	5.858466	0	60
Rewards	2.032652	0.234583	1	3
Refuse	2.179462	0.959513	1	3
Resp.	0.737039	0.440296	0	1
Indep.	0.647807	0.477713	0	1
Age	27.77243	9.586739	15	70
Workplace	0.980309	0.138953	0	1
Advance	2.123629	0.351894	1	3
Education	6.917747	3.008127	0	18
Injury	1.223829	0.41686	1	2
Awareness	1.146311	0.353462	1	2

Conclusion

The main objective of this study was to explore factors that might be related to work satisfaction of female employed in informal market in Punjab. Results demonstrate that work satisfaction is significantly related to earnings. Earnings on the same hand, is affected by Experience (period of attachment to the work) which can be enhanced by motivational factors. This study also confirms that experiencing the four critical motivational factors by female workers in informal market is a significant predictor of work satisfaction – advance payments (positively), domestic responsibilities (positively), injuries (negatively) and independence to spend money earned (positively). Domestic responsibilities such obligations of female workers to raise their own children, exhibit a stronger positive preference to remain attached to the informal market, despite of being unsatisfied with their work.

The negative relationship between earnings and work satisfaction was unpredicted, yet very interesting. The relationship is predictive of the fact that money does not always buy satisfaction; the findings of this study unexpectedly pit earnings in a negative relationship with work satisfaction. It also confirms that work satisfaction and financial satisfaction may be correlated but may not be treated as interchangeable terms. Work satisfaction is also not alone a function of earnings, but may also be affected by other factors which have been explored in depth by this study. Consistent with the backward-bending labor supply curve, higher earnings appears to be a negative determinant of work satisfaction for female employed in informal sector. An important insight of such results is the cost borne (labor-leisure tradeoff) and work environment, which are avoided with higher earnings of female workers in informal market. Perhaps female workers who earn higher from informal market are less satisfied with their work because they function under more stress and mental pressure. As female workers produce more, their earnings increase in relation to increases in experience which depends positively on motivation to work. Similarly as a worker mature with age and become more aware of her labor rights, the implicit expectation is that they would strive towards activities which make them more work satisfied. This is the very reason that with increase in education and awareness, female worker transfer to work based in formal market as they are not satisfied working in informal market. The study De Kerpel, Dries, and Pepermans (2007) is intriguing in light of present research findings.

Considering the above findings, it's reasonable to provide such embedded conditions in informal market that would positively correlate motivations, earnings and work satisfaction. This largely depends upon policies designed by policy makers to target better working environment for female employed in informal market. Not only that, but it is very important to design the right set of incentives as a step forward to reap more benefits of economic growth. Finally, qualitative motivational factors such as advance payments, workplace flexibilities, and rewards, should be taken into consideration when designing and evaluating policies for female workforce employed in informal market. This becomes more crucial in developing countries such as Pakistan, where the impact of informal market is large and mostly overlooked.

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