Research Square

Preprints are preliminary reports that have not undergone peer review.
They should not be considered conclusive, used to inform clinical practice,
or referenced by the media as validated information.

Beyond the Paycheck: What Sustains Employee Motivation in High-Income Economies?

Sarfaraz Abu Abdullah

rajon3430@gmail.com

University of Rajshahi https://orcid.org/0009-0000-3826-1626

Research Article

Keywords: Employee Motivation, Work Engagement, Pay and Incentives, Self-Determination Theory, Job Design, High-Income Economies, Working Time, Job Satisfaction

Posted Date: November 24th, 2026

DOI: https://doi.org/10.21203/rs.3.rs-11826881/v1

License: This work is licensed under a Creative Commons Attribution 4.0 International License.
Read Full License

Additional Declarations: The authors declare no competing interests.

Beyond the Paycheck: What Sustains Employee Motivation in High-Income Economies?

Sarfaraz Abu Abdullah
[Department of Management, University of Rajshahi, Rajshahi, Bangladesh] · Email: rajon3430@gmail.com

Abstract

Rich economies pay well, yet most of their employees are not engaged. Gallup's 2026 global survey puts engagement at 20% worldwide and at 12% in Europe, against 31% in the United States and Canada. This paper asks what, besides pay, sustains motivation where pay is already high. It combines secondary analysis of public data with a structured synthesis of meta-analyses and large surveys. Across 18 high-income countries whose income per head differs by a factor of 3.4, national income was unrelated to engagement (Spearman ρ = 0.22, permutation p = .37; 0.8 percentage points per doubling of income, 95% CI −6.8 to 8.5), and among 14 European countries the correlation was −0.03. Regions dominated by high-income economies score far higher on life evaluation (52% thriving against 31%) but not on engagement (21% against 22%). Pay level correlates only .15 with job satisfaction, explaining about 2% of its variance, whereas motivational and social work characteristics explain 34% and a further 17%. Pay is nonetheless not trivial: 63% of Americans who quit in 2021 cited low pay (95% CI 60% to 66%), as often as lack of advancement and more often than feeling disrespected (57%). Intrinsic motivation predicts performance (ρ = .21 to .45, k = 183), while financial incentives add most for the quantity of output, and a four-day week at unchanged pay reduced burnout from 2.83 to 2.38 on a five-point scale. Pay works as a threshold and a signal of fairness. Beyond it, motivation is sustained by work design, meaning, respect, development and control of time. The evidence is cross-sectional and uneven in quality, and the paper says where it is thin.

Keywords

Employee Motivation, Work Engagement, Pay and Incentives, Self-Determination Theory, Job Design, High-Income Economies, Working Time, Job Satisfaction

1. Introduction

There is an old and sturdy idea in management that people work harder when they are paid more. It underlies bonus schemes, salary benchmarking and a large part of the advice given to executives who worry about effort. It is also, in the rich countries, in tension with what surveys find. Gallup's 2026 *State of the Global Workplace* reports that 20% of employees worldwide were engaged in 2025, down from 21% in 2024 and 23% in 2022 and 2023, and that Europe, one of the wealthiest regions on earth, had the lowest regional figure at 12% (Gallup, 2026a). Engagement in Switzerland, whose income per head is among the highest in the world, was 8%. In France it was 8% and in Japan 8% (Gallup, 2026a, 2026b). Gallup puts the cost of the shortfall at about $10 trillion of lost output a year, a figure that should be read as the company's own estimate and not as an established fact.

The tension is not simply a story of money not mattering. When the Pew Research Center asked Americans who had quit a job in 2021 why they left, low pay was the reason most often given, at 63%, tied with a lack of opportunities for advancement (Parker & Horowitz, 2022). The meta-analytic literature meanwhile finds that pay level is only weakly related to how satisfied people are with their jobs (Judge et al., 2010). Pay appears to be at once the commonest reason for leaving and a weak predictor of contentment. Something must reconcile the two.

This paper proposes that the reconciliation lies in what pay does. It sets a threshold that people must clear before anything else can work, it tells them whether they are treated fairly, and it can motivate output that

is easy to count. It does little to supply the things that keep people interested in work they already earn a decent living from: autonomy, a sense that the work matters, a manager who treats them with respect, a path to develop, and some control over their time. The claim is tested against published evidence at three levels: nations, occupations and organizations.

1.1. Statement of the Problem

Employers in high-income economies face a practical problem. Wages have risen over decades, and in many labor markets pay is above the level at which basic needs are in question, yet disengagement is common and expensive. Reaching for pay as the main lever is natural and sometimes right, but it is costly and may be inefficient if its motivational returns diminish. Policymakers face the mirror-image problem: if working conditions other than earnings drive motivation and well-being, then labor policy that concentrates on wages will miss part of what makes work good.

The evidence needed to reason about this sits in separate places. Cross-national surveys describe how engagement varies across countries. Meta-analyses estimate how pay and other job features relate to satisfaction and performance. Surveys of quitters reveal what people say about their own decisions. Field trials of working time test a condition other than pay directly. No single study puts these side by side, asks whether national income is related to engagement among rich countries, and compares the size of the association between pay and satisfaction with that of other job features. That is what this paper does.

1.2. Research Questions and Purpose

The paper asks five questions.

RQ1 Within high-income economies, is national income per head associated with the share of employees who are engaged?

RQ2 Do regions with high incomes have higher engagement, higher life evaluation, or neither?

RQ3 How large is the association between pay and job satisfaction compared with that of work design features?

RQ4 What part does pay play in decisions to leave a job, and how does it compare with other reasons?

RQ5 How do intrinsic motivation, financial incentives and working time relate to performance and well-being?

The purpose is to describe what sustains motivation when pay is not the binding constraint, to give the answer a quantitative footing wherever public data allow, and to be clear about the limits of that footing.

1.3. Scope and Contribution

This is a secondary study. It collects no new primary data and it cannot identify causal effects. It contributes in three ways. First, it carries out new analyses of public data: a country-level analysis of engagement and income in 18 high-income economies, and a region-level comparison of engagement and life evaluation. Second, it puts effect sizes from large meta-analyses next to each other, converted to common metrics, so that the relative weight of pay and other job features can be read directly. Third, it integrates evidence from surveys of quitters, an adversarial collaboration on income and happiness, and the largest trial of a shorter working week into one argument about what pay can and cannot do. Section 2 reviews the literature and states six hypotheses. Section 3 describes data and methods. Sections 4 to 8 report results, discuss them, draw implications, state limitations and conclude.

2. Literature Review and Hypotheses

2.1. Pay in Economic and Psychological Theory

Economic theory gives pay several jobs. Standard incentive theory has it align effort with the employer's interest. Efficiency wage models add that paying above the market rate raises the cost of being dismissed and so deters shirking (Shapiro & Stiglitz, 1984). Equity theory in psychology adds that people compare what they put in and receive with what others put in and receive, and are motivated to restore balance when it looks unfair (Adams, 1963). Herzberg et al. (1959) distinguished hygiene factors, among them pay and working conditions, whose absence dissatisfies but whose presence does not motivate, from motivators such as achievement, recognition and responsibility. The two-factor distinction has been contested empirically, but its practical intuition, that pay works more like a threshold than like a ladder, recurs in later work.

Peer comparison is a good illustration of the fairness function. In a field study of University of California employees, Card et al. (2012) found that workers who learned that colleagues in their pay unit earned more reported lower satisfaction and greater intent to search for another job, while learning that they earned more than colleagues did not raise satisfaction. What mattered was less the level than the position in a comparison group.

2.2. Intrinsic Motivation and the Limits of Incentives

Self-determination theory holds that people have basic psychological needs for autonomy, competence and relatedness, and that environments which satisfy them foster more autonomous and more durable motivation (Deci & Ryan, 2000; Ryan & Deci, 2000). Applied to work, the theory distinguishes controlled motivation, driven by rewards and pressure, from autonomous motivation, driven by interest and values, and predicts better performance and well-being from the latter (Gagné & Deci, 2005). A long debate asks whether extrinsic incentives erode intrinsic motivation. Economists describe a related idea as crowding out, in which pay can reduce effort if it changes how a task is understood (Frey & Jegen, 2001). Bowles and Polania-Reyes (2012) reviewed experiments and concluded that incentives and social preferences can be either substitutes or complements depending on context.

The empirical weight of the debate has been settled in part by meta-analysis. A synthesis of 183 samples and 212,468 participants found that intrinsic motivation predicted performance with correlations of .21 to .45, whether or not incentives were present, that it mattered less when incentives were directly tied to performance, and that it predicted the quality of performance better than the quantity (Cerasoli et al., 2014). Incentives, in turn, were the better predictor of quantity. The relationship, in other words, is neither a simple trade-off nor simple additivity. It depends on what kind of output is being sought.

2.3. Work Design, Meaning and the Social Context

The job characteristics model argued that skill variety, task identity, task significance, autonomy and feedback produce meaningfulness, responsibility and knowledge of results, and through them motivation and satisfaction (Hackman & Oldham, 1976). A meta-analytic summary of 259 studies and 219,625 participants extended the model to social and contextual features and found that 14 work characteristics explained on average 43% of the variance in 19 worker attitudes and behaviors, with autonomy and social support the strongest predictors of job satisfaction (Humphrey et al., 2007). Meaningful work, measured directly, correlates very strongly with engagement, commitment and satisfaction, at .70 or above in a meta-analysis of 44 articles (Allan et al., 2019), though the closeness of those constructs invites suspicion that they partly measure the same thing.

2.4. Income, Well-Being and Pay Satisfaction

The relationship between income and happiness has been argued over since Easterlin (1974) noted that average happiness in rich countries did not seem to rise with growth in income. Kahneman and Deaton

(2010) reported that evaluative well-being rose with log income while emotional well-being stopped rising beyond about $75,000. Killingsworth (2021) challenged the plateau with 1.7 million real-time reports from 33,391 employed Americans, finding that experienced well-being rose linearly with log income. An adversarial collaboration of the three authors reconciled the results: the flattening exists but only for the least happy 20% of the population, while for the remainder happiness continues to rise with log income and for the happiest it accelerates (Killingsworth et al., 2023). For the question at hand the lesson is that money keeps buying something nearly everywhere, but that what it buys differs by who is asking, and that it is one determinant among many.

At the level of the job, a meta-analysis of 92 independent samples found that pay level was correlated .15 with job satisfaction and .23 with pay satisfaction (Judge et al., 2010). The authors' reading was that pay level is only marginally related to satisfaction.

2.5. Engagement, Managers and the Measurement Problem

Engagement is measured in many ways, and the results vary with the instrument. Gallup, whose World Poll provides the cross-national benchmark used here, defines engaged employees as those who are involved in and enthusiastic about their work and workplace. Its Q12 meta-analysis links engagement at the business-unit level to profitability, productivity and turnover (Harter et al., 2020). Other instruments give different pictures. In ADP Research's survey, as reported in a 2026 compilation of engagement statistics, 20% of Swiss workers were fully engaged (ADP Research, 2026), two and a half times Gallup's 8%. The difference is a reminder that levels depend on measures and that comparisons are safest within an instrument.

Gallup attributes much of the variation in team engagement to managers, a claim the company has long made and which independent researchers have not tested in the same data. What can be said is that Gallup counts only 22% of managers as engaged, against 19% of other employees (Gallup, 2026a), so the people expected to sustain others' motivation are themselves mostly not engaged.

2.6. Time and Flexibility

Working time is a condition other than pay that employers can change at lower cost than a raise. In the Gallup data on work location, 30% of exclusively remote employees were engaged, against 25% of hybrid, 24% of on-site workers who could work remotely and 17% of on-site workers who could not (Gallup, 2026a). The largest trial of a four-day workweek at unchanged pay followed 2,896 employees in 141 organizations in six countries for six months and found lower burnout and higher job satisfaction relative to a comparison group (Fan et al., 2025). Of the Americans who quit in 2021 and found other work, half said they now had more flexibility over when they work (Parker & Horowitz, 2022).

2.7. Framework and Hypotheses

Figure 1 gives the framework. Pay and the basic terms of work set a threshold of adequacy, signal fairness and motivate countable output. A group of drivers beyond pay, namely autonomy and work design, meaning, manager support and respect, development, and control over time, sustains motivation once the threshold is cleared. Task type, national context and individual needs moderate the relations. Six hypotheses follow.

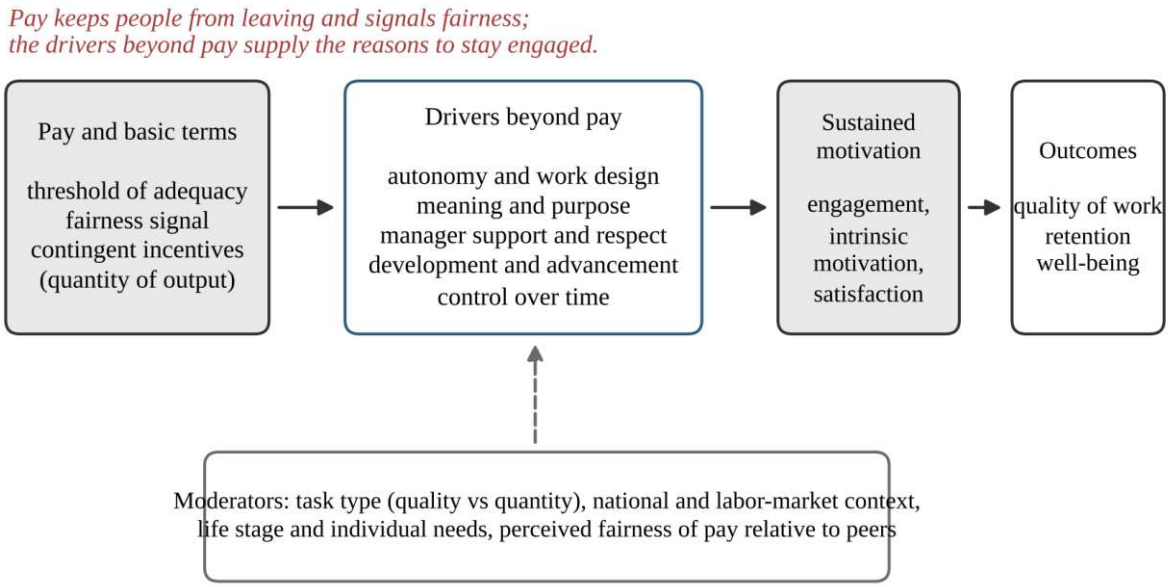

Figure 1. Conceptual framework: pay as a threshold and signal, and the drivers of motivation beyond pay.

H1 Among high-income economies, national income per head is not related to the share of employees who are engaged.

H2 Regions dominated by high-income economies have higher life evaluation than other regions, but not higher engagement.

H3 Pay level explains far less of the variance in job satisfaction than work design features do, by a factor of at least ten.

H4 Pay is nevertheless among the main reasons people give for quitting, at least as often as non-pay reasons.

H5 Intrinsic motivation predicts performance regardless of incentives, and incentives contribute chiefly to the quantity of performance.

H6 Reducing working time with pay held constant improves burnout and job satisfaction.

3. Data and Methods

3.1. Research Design

The study is a structured secondary synthesis with four analytical components: a cross-sectional analysis of 18 high-income countries, a region-level comparison, a comparison of effect sizes taken from large meta-analyses, and descriptive analysis of survey proportions with exact interval estimates. The design is descriptive and correlational. It is suited to testing whether patterns that would follow from the framework are present in public data, and not to estimating causal effects.

3.2. Sources and Selection

Sources were chosen to represent evidence at three levels, national (Gallup's World Poll results and the International Monetary Fund's income estimates), occupational and job (large meta-analyses), and organizational or individual (a representative survey of quitters, a field trial of working time and an experience-sampling study of income and happiness). Searches were run in November 2026, and every figure used was compared with the original publication or an official release where one could be opened. Table 1 lists the sources and the verification status of each.

Table 1. Evidence base and verification status.

Source	Design and sample	Used for	Verification
Gallup (2026a, 2026b), State of the Global Workplace	Gallup World Poll data, 141,444 employed respondents in 2025; regional and national three-year aggregates	H1, H2, Section 4.1	Regional table read in full; national values from Gallup country pages and reports of the 2026 release
IMF (2026)	World Economic Outlook, October 2026; GDP per capita at PPP, 2025 estimates	H1	Read from published lists (Worldometer rendering of IMF data)
Judge et al. (2010)	Meta-analysis, 115 correlations from 92 independent samples; pay level vs satisfaction	H3	Abstract and summaries
Humphrey et al. (2007)	Meta-analysis, 259 studies, 219,625 participants; 14 work characteristics	H3	Abstract and summaries
Allan et al. (2019)	Meta-analysis, 44 articles, $N = 23{,}144$; meaningful work	H3	Abstract
Cerasoli et al. (2014)	Meta-analysis, $k = 183$, $N = 212{,}468$; intrinsic motivation, incentives, performance	H5	Abstract
Macky (2014)	Conference summary of a review of financial incentives (146 samples; 31,861 employees)	H5	Slides read; underlying review not opened
Parker & Horowitz (2022), Pew Research Center	American Trends Panel, 6,627 non-retired adults, 965 who quit a job by choice in 2021; fielded 7–13 Feb 2022	H4	Headline figures matched on Pew and in several summaries; subgroup quit rates via a summary
Killingsworth (2021); Killingsworth et al. (2023)	Experience sampling, 33,391 employed U.S. adults, about 1.7 million reports	Section 4.6	Abstracts
Fan et al. (2025)	2,896 employees, 141 organizations, six countries; six-month four-day week trial with comparison group of 285	H6	Abstract and several summaries; 12-month persistence via a summary
ADP Research (2026)	Global worker survey; Swiss fully engaged share 20%	Section 2.5	Secondary compilation only

Note. Verification was carried out in November 2026. "Summaries" are reports and news items that quote the original; the original was not opened for those figures.

3.3. Country-Level Data and Analysis

National engagement figures are those of Gallup's *State of the Global Workplace 2026*, based on data from 2023, 2024 and 2025 aggregated over three years, and published for more than 140 countries (Gallup, 2026b). The employed subsample in each country is modest in size, so country estimates carry margins of sampling error of several percentage points, larger for smaller samples. Eighteen high-income countries had both a 2026-vintage engagement figure that could be verified and an IMF estimate of 2025 GDP per capita at purchasing power parity (IMF, 2026): Austria, Australia, Canada, Croatia, Denmark, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Poland, Slovenia, Spain, Switzerland, the United Kingdom and the United States. The set is determined by availability and is not a random sample. It includes 14 European countries and four others.

The primary statistic is Spearman's (1904) rank correlation between engagement and GDP per capita, which does not assume linearity or normality. A permutation test with 20,000 random reassignments gives its p value, and a bootstrap of 20,000 resamples gives its interval (Efron & Tibshirani, 1993; Good, 2005). The secondary statistic is the least-squares slope of engagement on the base-2 logarithm of income, which expresses the association as percentage points of engagement per doubling of income; its interval is analytic and bootstrap. Robustness is examined by leave-one-out estimates, by excluding the United States, by excluding the two countries with extreme incomes per head, inflated by multinational and financial activity (Luxembourg and Ireland), and by restricting the sample to Europe. With 18 countries and a two-sided test

at the 5% level, the study has 80% power to detect only correlations of about 0.62 or larger (Cohen, 1988), a limit that is taken into account in the interpretation.

3.4. Region-Level Analysis

Gallup reports engagement, the share of employees thriving in their life evaluation, and daily emotions for ten world regions based on three-year aggregates (Gallup, 2026b). Three of them (the United States and Canada, Europe, and Australia and New Zealand) are dominated by high-income economies, although Europe includes some middle-income countries. The association between regional engagement and thriving is estimated by Spearman's correlation, and the high-income regions are compared descriptively with the rest. With ten regions the analysis is exploratory.

3.5. Comparing Effect Sizes

Pay and work design are compared with the published meta-analytic estimates. For correlations, the shared variance is r^2, and two correlations are compared by Cohen's q, the difference between their Fisher z transformations, with 0.1, 0.3 and 0.5 conventionally small, medium and large (Cohen, 1988). For work design, the shares of variance in job satisfaction explained by motivational characteristics and incrementally by social and contextual ones are taken from Humphrey et al. (2007). Because the comparison is across studies, criteria and sets of predictors, it is a descriptive device and does not constitute a statistical test of the difference.

3.6. Survey Proportions

For the Pew survey of people who quit a job in 2021, proportions citing each reason are given with Wilson (1927) intervals, using the 965 respondents who left a job by choice. The difference between the two most common and the third reason is tested with a conservative two-proportion z statistic that treats the items as independent, although they are answered by the same respondents; the dependence would make the true test more powerful.

3.7. Verification and Reproducibility

All statistics were computed in Python with NumPy and SciPy from the published inputs in Tables 2 to 6, using fixed random seeds. Where only secondary summaries of a figure could be retrieved, the table in which it appears says so.

4. Results

4.1. Engagement in the Rich World

Engagement has been low and flat for years. Gallup's global figure was 22% in 2019, 20% in 2020, 21% in 2021, 23% in 2022 and 2023, 21% in 2024 and 20% in 2025, against 12% when the series began in 2009 (Figure 2). The United States has run well above the global average, with published points of 36% in 2020 and 31% in 2024 and 2025, but it has drifted down. The regional picture in Table 2 shows that high income does not sort regions by engagement. Europe is lowest at 12%, and the United States and Canada, at 31%, are the highest, but Latin America and the Caribbean, at 30%, are not far behind, and Australia and New Zealand, at 21%, sit level with South Asia.

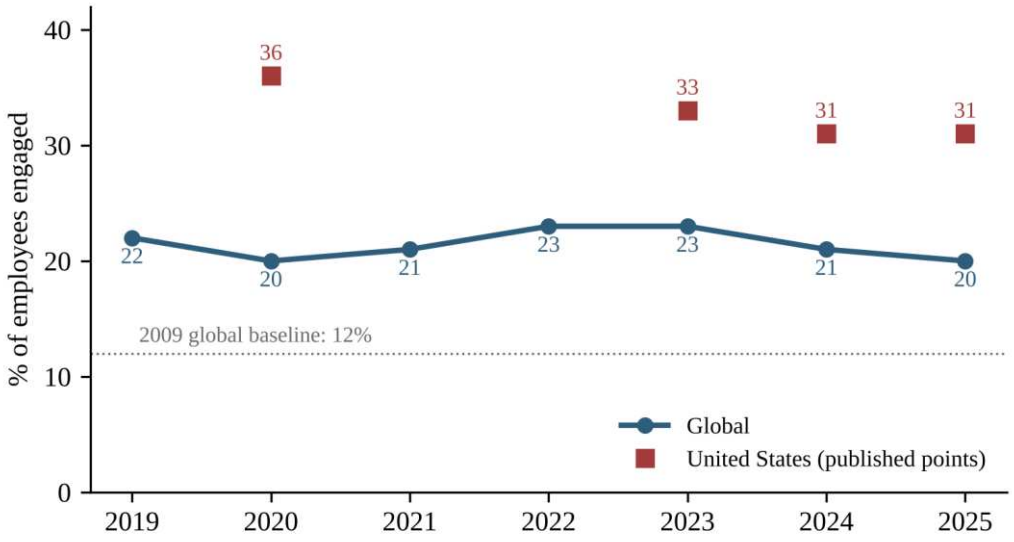

Figure 2. Share of employees engaged at work, global and United States, 2019–2025.
Source: Gallup State of the Global Workplace reports. United States values are the published points only.

Table 2. Employee engagement and life evaluation by region and by work arrangement (Gallup, 2025 data).

Panel A. Regions (% of employees)

Region	Engaged	Not engaged	Actively disengaged	Thriving	Thriving − engaged
United States and Canada	31	52	17	51	20
Latin America and Caribbean	30	59	11	56	26
Post-Soviet Eurasia	25	60	15	34	9
Southeast Asia	25	67	8	36	11
South Asia	21	59	20	16	−5
Australia and New Zealand	21	66	13	55	34
Sub-Saharan Africa	19	63	18	18	−1
East Asia	18	66	16	32	14
Middle East and North Africa	14	61	25	26	12
Europe	12	73	15	49	37

Panel B. Engagement by work arrangement and role (% engaged)

Group	% engaged
Exclusively remote	30
Hybrid	25
On-site, remote-capable job	24
On-site, job not remote-capable	17
Managers	22
Individual contributors	19

Note. Regional values from Gallup (2026b); work-arrangement and role values from Gallup (2026a). Spearman correlation between engaged and thriving across the ten regions: ρ = 0.46 (p = .18); Pearson r = 0.38 (p = .28). Regions dominated by high-income economies (United States and Canada, Europe, Australia and New Zealand): mean engaged 21.3%, mean thriving 51.7%; other regions: 21.7% and 31.1%.

4.2. National Income and Engagement (H1)

Table 3 and Figure 3 show the 18 high-income countries. National engagement ranges from 7% (Croatia and Poland) to 32% (the United States), a spread with a standard deviation of 6.9 points, while income per head ranges from $45,000 (Greece) to $153,000 (Luxembourg), a factor of 3.4. If paying more reliably produced engagement, income would be a strong predictor within so wide a range. It is not. The Spearman correlation between income and engagement is 0.22 (permutation $p = .37$; bootstrap 95% CI −0.33 to 0.70). The Pearson correlation with the logarithm of income is 0.06 (95% CI −0.42 to 0.51), and the least-squares slope is 0.8 percentage points per doubling of income (95% CI −6.8 to 8.5; $R^2 = .003$). Leave-one-out estimates of the rank correlation range only from 0.11 to 0.33.

Table 3. Engagement and national income in 18 high-income countries.

Panel A. Data

Country	Engaged, %	GDP per capita, PPP, 2025 (thousand $)	Group
Luxembourg	9	152.9	Europe
Ireland	9	147.8	Europe
Switzerland	8	102.4	Europe
United States	32	90.3	Non-Europe
Denmark	22	87.3	Europe
Austria	9	76.0	Europe
Germany	11	74.9	Europe
Australia	21	72.1	Non-Europe
Canada	21	67.1	Non-Europe
France	8	66.6	Europe
United Kingdom	10	65.8	Europe
Italy	11	63.5	Europe
Slovenia	18	58.5	Europe
Spain	10	57.3	Europe
Japan	8	57.0	Non-Europe
Poland	7	55.9	Europe
Croatia	7	51.7	Europe
Greece	14	45.0	Europe

Panel B. Association of engagement with income

Analysis	*n*	Estimate	Test or interval
Spearman ρ, all countries	18	0.22	permutation $p = .37$; bootstrap CI −0.33 to 0.70
Pearson *r*, log income	18	0.06	95% CI −0.42 to 0.51
Slope, points per doubling of income	18	0.84	95% CI −6.8 to 8.5; $R^2 = .003$
Spearman ρ excluding United States	17	0.17	$p = .53$
Spearman ρ excluding Luxembourg and Ireland	16	0.41	$p = .11$
Spearman ρ, Europe only	14	−0.03	$p = .93$
Spearman ρ, Europe excluding Denmark	13	−0.14	$p = .65$
Leave-one-out range of ρ	17	0.11 to 0.33	

Note. Engagement from Gallup (2026b), income from IMF (2026). European countries average 10.9% engaged; the four non-European countries (United States, Canada, Australia, Japan) 20.5%. With 18 countries, power is 80% only for correlations of about 0.62 or larger.

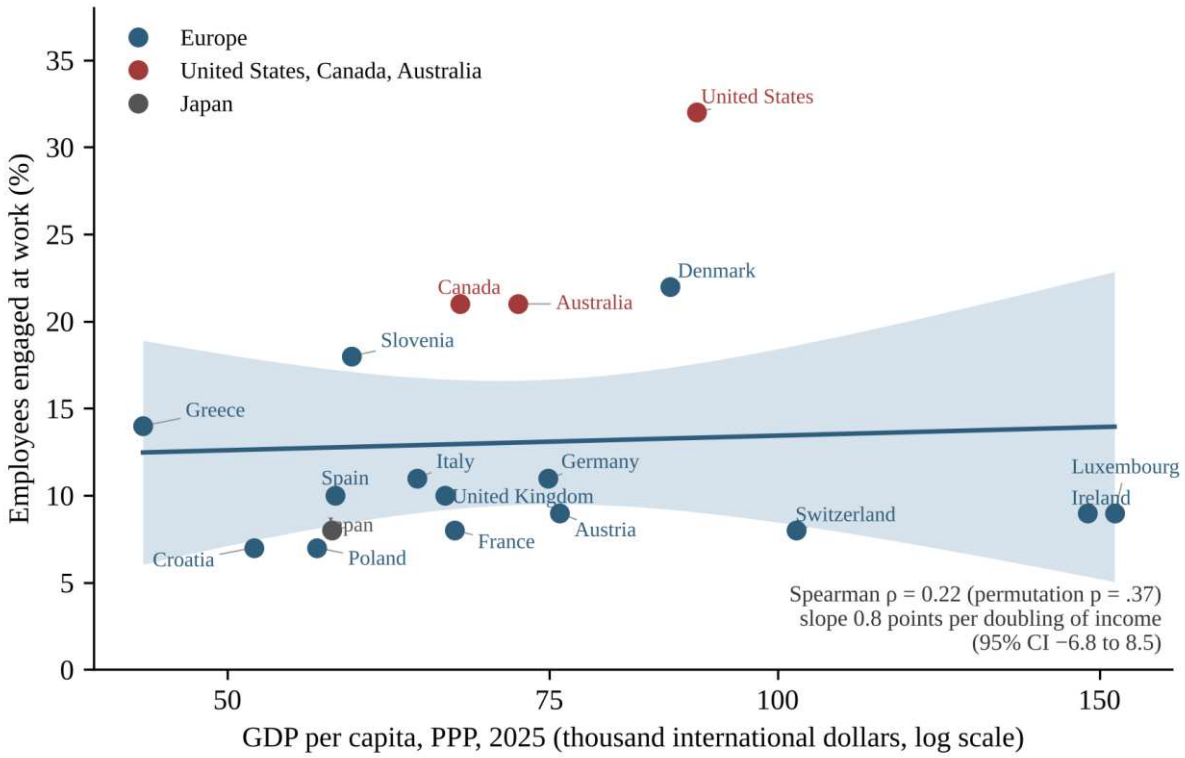

Figure 3. National engagement and GDP per capita in 18 high-income countries.

Engagement: Gallup (2026b), three-year aggregates. Income: IMF (2026), 2025 estimates at PPP. Line and band: least-squares fit on log income with 95% confidence band.

The pattern is the same within Europe. Among the 14 European countries the rank correlation is −0.03 (p = .93), and it remains −0.14 when Denmark, the one northern country with high engagement and high income, is removed. Dropping Luxembourg and Ireland raises the correlation to 0.41 (p = .11) and dropping the United States lowers it to 0.17, which shows that the result is moved by a handful of observations and carries no sign of a stable relationship in either direction. The clearest structure in the data is geographic and cultural and not economic: the European countries average 10.9% engaged and the four others (the United States, Canada, Australia and Japan) 20.5%, with Japan at 8% the exception.

H1 is supported, with an honest qualification about precision. The absence of a significant correlation in 18 countries is not evidence that no association exists, since the study could detect only correlations of about 0.62 or larger. What the data exclude is a strong relationship. A correlation of 0.62 would make income explain about 38% of the variance in engagement, and the confidence intervals above are compatible with moderate associations of either sign.

4.3. Life Evaluation and Engagement Diverge in High-Income Regions (H2)

Figure 4 plots the ten regions. High-income regions are far ahead in the share of employees who are thriving in their life evaluation (a mean of 51.7% across the three regions against 31.1% for the other seven) but not at all ahead in engagement (21.3% against 21.7%; Mann–Whitney p = 1.00). Across all ten regions the rank correlation between engagement and thriving is 0.46 (p = .18), so the two measures move together only loosely. The gap between thriving and engagement is large in rich regions, at 37 points in Europe and 34 in Australia and New Zealand, and absent in poor ones, at −1 in Sub-Saharan Africa and −5 in South Asia. People in rich regions say they are living well and also that they are not very engaged in their jobs. H2 is

supported as a description, with the caution that three high-income regions among ten make the comparison weak.

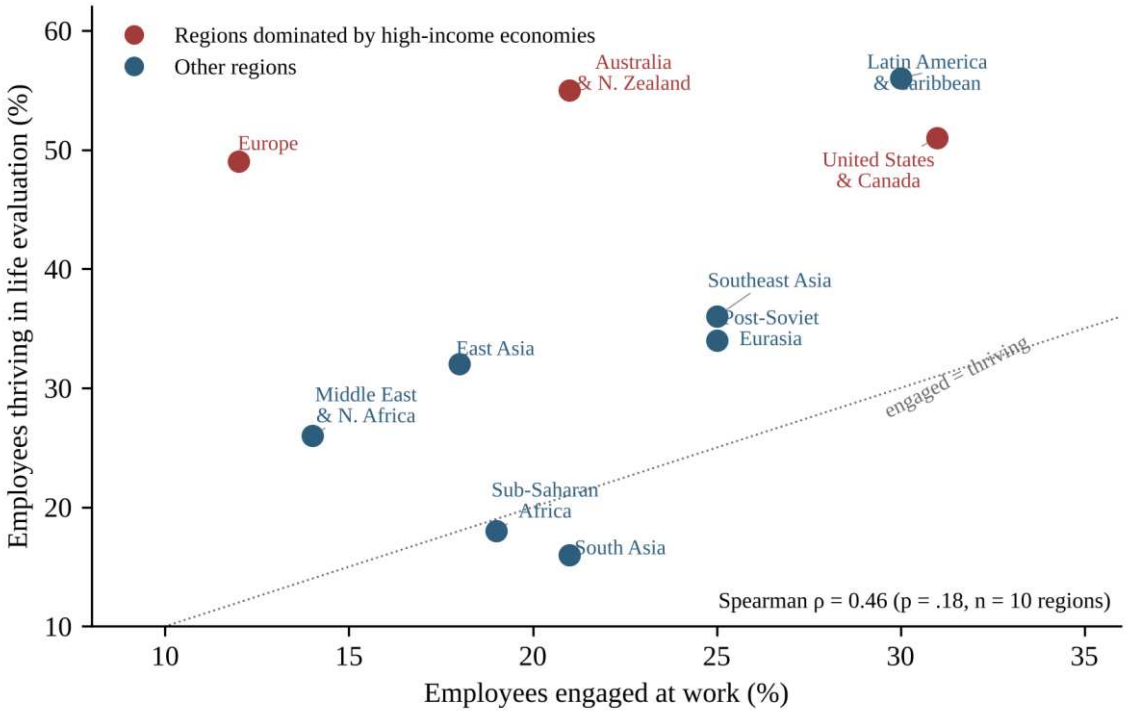

Figure 4. Engagement and thriving in life evaluation across ten world regions.
Source: Gallup (2026b). The dotted line marks equal shares of engaged and thriving employees.

4.4. Pay and Work Design (H3)

Table 4 and Figure 5 set the meta-analytic estimates side by side. Across 92 samples pay level correlates .15 with job satisfaction, which means that it shares about 2.3% of the variance (Judge et al., 2010). Pay level correlates a little more strongly with satisfaction with pay itself, at .23. In the work design meta-analysis, motivational characteristics (autonomy, task variety, task significance, feedback and related features) explain 34% of the variance in job satisfaction, social characteristics add a further 17% and work context another 4% (Humphrey et al., 2007). The explained variance for motivational features alone is 15 times that for pay level, and for all three groups together 24 times.

Table 4. Pay and other job features: meta-analytic evidence.

Predictor	Criterion	Estimate	Evidence base	Source
Pay level	Job satisfaction	ρ = .15 (r^2 = 2.3%)	92 samples, 115 correlations	Judge et al. (2010)
Pay level	Pay satisfaction	ρ = .23	92 samples	Judge et al. (2010)
Motivational work characteristics	Job satisfaction	34% of variance	259 studies, 219,625 participants	Humphrey et al. (2007)
Social characteristics (incremental)	Job satisfaction	+17% of variance	same	Humphrey et al. (2007)
Work context (incremental)	Job satisfaction	+4% of variance	same	Humphrey et al. (2007)
Intrinsic motivation	Performance	ρ = .21 to .45	k = 183, N = 212,468	Cerasoli et al. (2014)
Meaningful work	Job satisfaction, engagement, commitment	$r \geq .70$	44 articles, N = 23,144	Allan et al. (2019)

Note. Ratio of variance explained: motivational characteristics 34% vs pay 2.3% = 15; all three work-design groups 55% vs 2.3% = 24. Cohen's q for ρ = .33 (midpoint for intrinsic motivation) vs .15: 0.19; for .70 vs .15: 0.72. Comparisons are descriptive: different samples, criteria and sets of predictors.

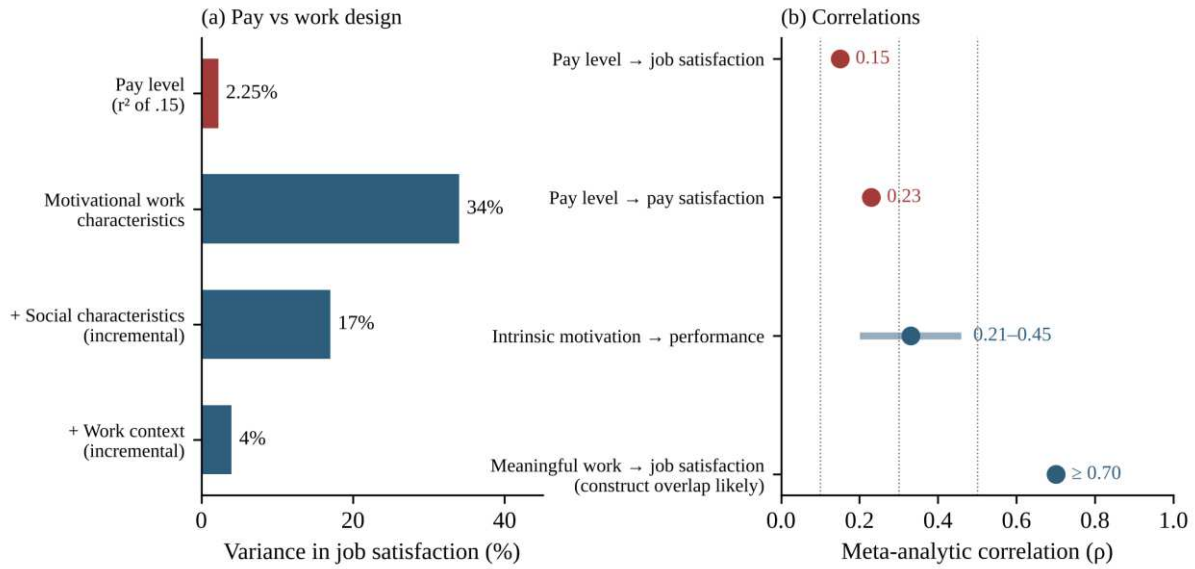

Figure 5. Pay and other job features: (a) variance in job satisfaction explained; (b) meta-analytic correlations.
Sources: Judge et al. (2010); Humphrey et al. (2007); Cerasoli et al. (2014); Allan et al. (2019). Dotted lines mark small, medium and large correlations.

In terms of Cohen's q, a correlation of .15 against a typical correlation for intrinsic motivation and performance of .33 gives $q = 0.19$, a small-to-moderate gap, while a correlation of .70 for meaningful work and job satisfaction gives $q = 0.72$, a large one. The meaningful work correlation should be read with caution, because the scales for meaningful work, engagement and job satisfaction overlap in content and share a method (Allan et al., 2019). H3 is supported in the sense that the ratio of variance explained exceeds ten, although the comparison is between a single predictor and sets of predictors, measured in different samples, and is not an exact estimate.

4.5. Pay as a Reason for Leaving (H4)

The same literature that finds pay weakly related to satisfaction does not support the conclusion that pay is unimportant. In the Pew survey 63% of workers who had quit a job in 2021 said low pay was a reason (95% CI 59.9% to 66.0%), and the same share cited a lack of opportunities for advancement. Feeling disrespected at work was cited by 57% (53.9% to 60.1%). At least a third said each of the three was a major reason (Parker & Horowitz, 2022). Low pay was cited more often than disrespect (difference 6 points; conservative $z = 2.70$, $p = .007$), and it tied with advancement. H4 is supported: pay is among the main reasons, not the only one.

Table 5. Why people quit a job in 2021 and what changed afterward (Pew Research Center).

Panel A. Reasons for quitting (% of those who quit by choice, *n* = 965)

Reason	%	95% Wilson interval
Low pay	63	59.9 to 66.0
No opportunities for advancement	63	59.9 to 66.0
Felt disrespected at work	57	53.9 to 60.1
Child care issues (among parents of children under 18)	48	not computed

Panel B. After the move (% of those who quit and are now employed)

Compared with the previous job, the current job offers…	%
More pay	56
More opportunities for advancement	53
Easier work–family balance	53
More flexibility over hours	50

Note. Source: Parker & Horowitz (2022); fieldwork 7–13 Feb 2022. Difference between low pay and disrespect: 6 points, conservative $z = 2.70$, $p = .007$ (items treated as independent). At least a third of respondents called each of the three main reasons a major reason. Quit rates by income (24% low, 18% middle, 11% high) are from a summary of the survey.

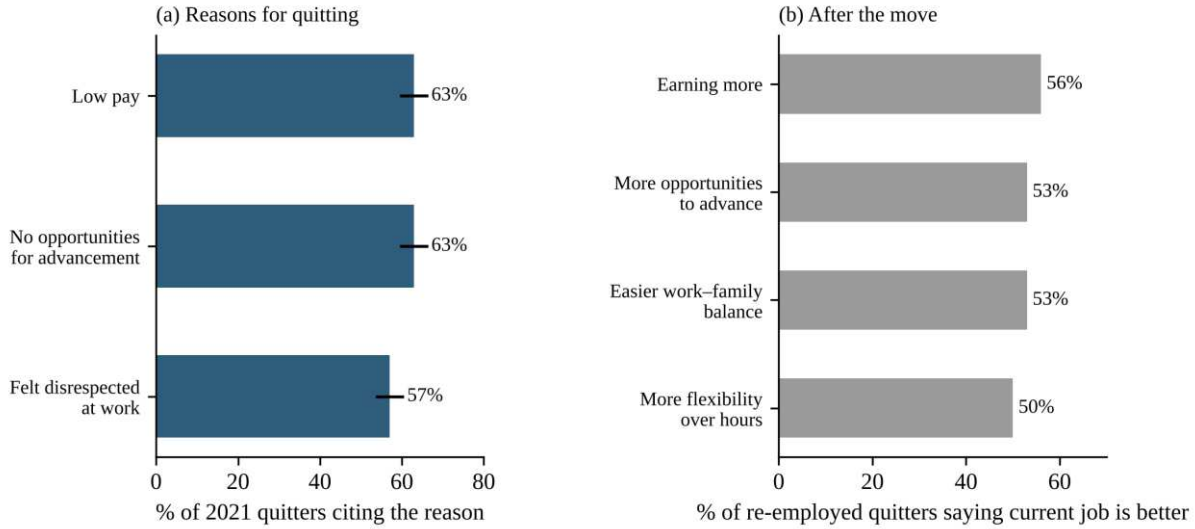

Figure 6. Why people quit in 2021 and what they gained: (a) reasons for quitting; (b) changes after the move.
Source: Parker & Horowitz (2022). Bars in (a) show 95% Wilson intervals for $n = 965$.

What happened afterward is instructive. Among those who quit and found new work, 56% said they were earning more, 53% had more opportunities for advancement, 53% found it easier to balance work and family, and 50% had more flexibility over when they work (Parker & Horowitz, 2022). The move was thus an exchange in which pay was one gain among several. It is also, plausibly, unevenly important across the income distribution. Summaries of the same survey report that low-wage workers were the most likely to have quit (24%, against 18% of middle-income workers and 11% of high earners). The result fits the idea that pay works as a threshold: its motivational weight is greatest at the bottom and recedes as basic needs are met.

4.6. Intrinsic Motivation, Incentives and Income (H5)

Table 6 collects the evidence on incentives and on income. The 40-year meta-analysis of 183 samples and 212,468 participants found intrinsic motivation to be a medium-to-strong predictor of performance ($\rho = .21$ to .45) whether or not incentives were present. Where incentives were directly tied to performance, intrinsic motivation mattered less, as a crowding-out account predicts, and where they were tied indirectly it mattered more. In a joint model, intrinsic motivation predicted more of the unique variance in the quality of performance, and incentives more of the unique variance in its quantity (Cerasoli et al., 2014). Evidence that incentives work is also strong: a quantitative review of financial incentives, as summarized by Macky (2014), reports that individual incentives raise performance by $g = 0.32$ across 146 samples and team-based incentives by $g = 0.45$ across 30 studies. H5 is supported. Incentives do change behavior, particularly for countable output, but they do not replace the interest and values that sustain high-quality work.

Table 6. Evidence on incentives, income and working time.

Study	Design	Key results	Caveat
Cerasoli et al. (2014)	Meta-analysis, $k = 183$, $N = 212{,}468$	Intrinsic motivation predicts performance ($\rho = .21$ to $.45$) with or without incentives; matters less when incentives are directly tied to performance; better for quality; incentives better for quantity	Mixed school, work and sport samples
Macky (2014) summary of an incentives review	146 samples, 31,861 employees; 30 team studies	Individual financial incentives $g = 0.32$; team incentives $g = 0.45$	Second-hand summary
Killingsworth et al. (2023)	Experience sampling, 33,391 employed adults	Well-being rises with log income for most; plateau above about $100,000 only for the least happy 20%; steeper for the happiest	U.S. only; self-selected app users
Fan et al. (2025)	2,896 employees, 141 organizations, six countries; comparison of 285 at 12 firms	Burnout 2.83 to 2.38 (1–5); job satisfaction 7.07 to 7.59 (0–10); better sleep, less fatigue; over 90% of firms continued	Volunteer firms; self-report; satisfaction gain fading by 12 months
Gallup (2026a)	Cross-sectional survey	Engagement 30% remote, 25% hybrid, 24% on-site remote-capable, 17% on-site not remote-capable	Groups differ in many ways

Note. Entries are as reported in the sources. None of the cross-sectional entries estimates a causal effect.

Income, for its part, keeps buying well-being for most people. In 1.7 million experience-sampling reports from 33,391 employed Americans, emotional well-being rose linearly with log income, and the adversarial collaboration of Killingsworth et al. (2023) located the flattening reported earlier in the least happy 20%, for whom happiness rises with income up to about $100,000 and then levels off. For the happiest group the relationship steepens above that level. A fair reading for employers is not that raising pay is futile, but that its effect is shared out unevenly and that the people who are least happy at work may gain least from further increases once they are comfortable.

4.7. Working Time at Unchanged Pay (H6)

The four-day workweek trial gives a direct test of a condition other than pay. Across 2,896 employees in 141 organizations in six countries, whose working week was reduced with no loss of pay, work-related burnout fell from 2.83 to 2.38 on a five-point scale after six months, a drop of 0.45 points or 15.9% of the baseline value, and job satisfaction rose from 7.07 to 7.59 on a ten-point scale, a rise of 0.52 points or 7.4% (Fan et al., 2025; Figure 7). The comparison group of 285 employees at 12 firms that kept a five-day week did not show the same improvements, and the largest effects were on the two work-related measures, followed by mental and physical health. More than 90% of participating firms chose to continue the arrangement. H6 is supported, with serious caveats. The organizations volunteered, the firms reorganized work before the trial, the measures are self-reported, and secondary reports indicate that the gain in job satisfaction began to fade by 12 months while those in burnout and mental health persisted.

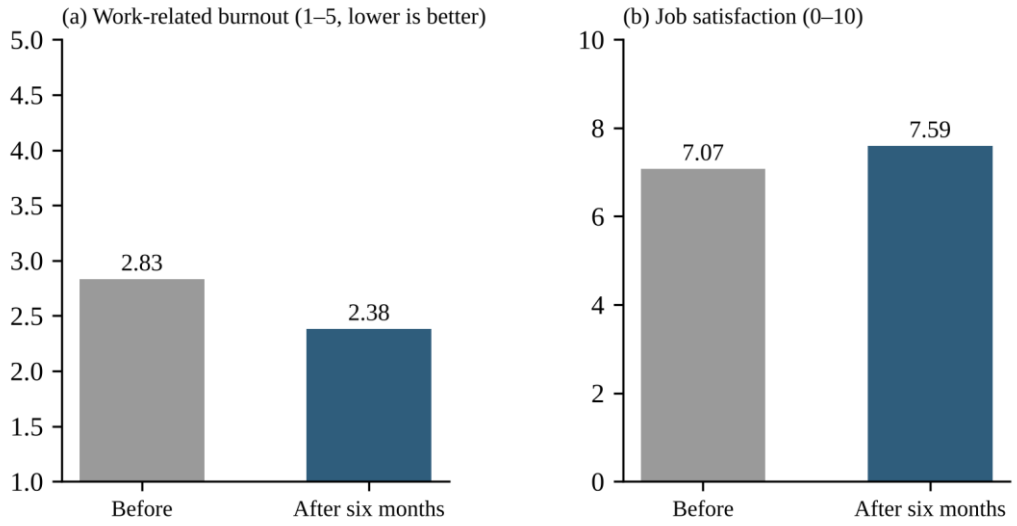

Figure 7. Four-day workweek at unchanged pay: burnout and job satisfaction before and after the trial.
Source: Fan et al. (2025); 2,896 employees in 141 organizations. Means as reported.

The Gallup data on work location point in the same direction, if less cleanly. Engagement was 30% among exclusively remote workers and 25% among hybrid workers, 24% among on-site workers who could work remotely, and 17% among on-site workers whose jobs cannot be done remotely (Table 2, panel B). The last group differs in many ways from the others, so the contrast says little about time and autonomy in isolation. But it is consistent with a pattern in which people who have some say over where and when they work are more engaged.

5. Discussion

The evidence assembled here does not support the view that pay is unimportant, and it does not support the view that pay is the main driver of motivation. It supports a narrower and more useful claim about what pay does. Money matters first as a threshold. People who feel underpaid leave, and they say so, as the Pew survey shows. It matters second as a signal. Whether pay is fair relative to others' pay appears to matter at least as much as its absolute level (Adams, 1963; Card et al., 2012). It matters third as a spur to countable effort, since incentives do raise the quantity of output (Cerasoli et al., 2014). It does comparatively little to explain why some people are engaged in their work and others are not, once they are paid enough. That is the part that explains why engagement is low in the richest regions, and not related to income among the rich countries examined.

The country-level result deserves a careful reading. The correlation between national income and engagement is weak and imprecise, and the sample of 18 countries could detect only large associations. Even so, the pattern is informative. Income per head varies by a factor of 3.4 across these countries. The two least engaged countries (Croatia and Poland, at 7%) are in the lower half of the income range, but Switzerland and Luxembourg, in the top three for income, are barely better at 8% and 9%. What the data point to instead is clustering by region and culture. The four non-European countries average 20.5% and the European ones 10.9%. Possible explanations include differences in management style, in the language people use to rate their work and in what they expect from it. The last is a reminder that cross-national comparisons of self-reported engagement are fragile. A rate of 8% in Switzerland on one instrument and 20% on another (ADP Research, 2026) suggests that levels, and perhaps rankings, depend on how engagement is asked about.

The divergence between life evaluation and engagement in rich regions fits an older line of thought. In societies where material security is widely met, people's expectations of work shift toward self-expression and meaning (Inglehart, 1977). If that is so, then the demand for meaning, autonomy and respect rises at the

same time as pay ceases to be the scarce thing, and workplaces that supply the first set poorly will register low engagement even when they pay well. The evidence here cannot test the argument, which would need individual-level data over time, but it is consistent with it and with the meta-analytic finding that work design features explain much more of the variance in satisfaction than pay does.

The relationship between incentives and intrinsic motivation needs a distinction between kinds of work. Where output is countable and the task is routine, incentives work and intrinsic motivation adds less. Where quality matters, as in the knowledge, care and creative work that fill the economies in question, intrinsic motivation carries more of the load and direct incentives can displace it. The practical conclusion is not to abolish performance pay, but to ask of each role which kind of output the organization really wants and to be wary of using a quantity incentive to buy quality.

The four-day week result is a reminder that one of the cheapest levers is time. It also illustrates a more general point. Many of the conditions that matter for motivation are not paid for out of the wage bill, and some cost little. Autonomy, respect and a manageable load can be provided by changing how work is organized, which in turn is largely a matter of management. Gallup's finding that only 22% of managers are themselves engaged (Gallup, 2026a) implies that those expected to provide these conditions are often short of them.

6. Implications

6.1. For Organizations

Five practices follow. First, get pay right before trying anything else. That means competitive, transparent and defensible relative to peers, since fairness and not just level matters. Second, use contingent pay where the output is countable and quantity is what the organization wants, and be careful with it where quality, creativity or cooperation matter. Third, invest in work design. Autonomy, task significance, feedback and social support explain far more variance in satisfaction than pay does, and several of them cost little. Fourth, build the capability of managers, who convey respect and opportunity and who are the main route by which the drivers beyond pay reach employees. Fifth, give people more say over time and place. Working time reductions and flexibility were among the things quitters most often gained when they moved, and a shorter week at unchanged pay improved burnout and satisfaction.

6.2. For Policy

If wages are not the only margin that matters, national statistics on job quality should report more than earnings. Surveys that monitor autonomy, respect, development opportunities and control over working time would allow policymakers to see whether economic growth is producing the conditions that sustain engagement. Working time policy, including support for trials of shorter weeks, deserves attention as a way of improving well-being without raising the wage bill.

6.3. For Research

Four priorities stand out. The country-level analysis should be repeated with larger and more varied samples, with individual-level data from multiple countries, and with several engagement instruments so that levels and rankings can be checked against each other. Longitudinal studies of people moving between jobs would help to separate the effects of pay from those of work design, as the Pew data suggest happens in practice. Field experiments that vary pay, autonomy and time independently would provide the causal evidence this paper cannot. And studies of why engagement is low in rich regions should test the post-material expectations argument directly.

7. Limitations

The limits are considerable. First, the country-level analysis is a cross-section of 18 countries chosen by data availability, with low power, and engagement figures are three-year aggregates of self-reports from modest national samples; the vintages of the income and engagement data differ, and a correlation across countries says nothing about causation or about individuals. The region-level analysis rests on ten units, three of them high-income, and Europe contains non-high-income members. Second, the effect-size comparison puts together estimates from different studies, criteria and sets of predictors, and uses correlations that are subject to range restriction, measurement error and common-method bias; the very large correlation for meaningful work is probably inflated by construct overlap. Third, the Pew survey is a self-report of reasons for a decision made a year earlier by those who quit, and it says nothing about the reasons of those who stayed. Fourth, the four-day week trial involves volunteer organizations that reorganized work beforehand, uses self-reports, and has a small comparison group. Fifth, some figures (the incentive effect sizes, some of the Pew subgroup shares, the ADP figure and the long-term persistence of the four-day week effects) could be checked only through secondary summaries, which Table 1 flags. Sixth, the evidence is overwhelmingly from the United States, Europe and a few other countries, and may not generalize. Finally, the framework is a synthesis of existing ideas and the study is not designed to compare it with rivals.

8. Conclusion

This paper asked what sustains employee motivation in economies where pay is already high. Across 18 high-income countries, national income was unrelated to engagement ($\rho = 0.22$, $p = .37$), and regions dominated by high-income economies were far ahead on life evaluation but level with the rest on engagement. Pay level explained about 2% of the variance in job satisfaction, against 34% for motivational work characteristics and a further 17% for social ones. Pay still matters, as the main reason people give for quitting (63%), as a signal of fairness, and as a spur to countable output. Beyond that threshold, motivation is sustained by the nature of the work, the people one works with and for, the chance to develop, and some control over time, as the evidence on intrinsic motivation and on a shorter working week at unchanged pay suggests.

The practical message is modest and demanding. Organizations that treat pay as the answer to disengagement will often be disappointed, and those that treat it as irrelevant will lose people. The better course is to pay fairly and then to put the effort into the design of work and the quality of management, which is where the evidence says the remaining motivation is to be found.

Author Contributions

[To be completed by the author. For a single-author paper: Conceptualization, methodology, formal analysis, writing—original draft preparation, and writing—review and editing were carried out by the author, who has read and agreed to the published version of the manuscript.]

Declaration of Generative AI and AI-Assisted Technologies in Manuscript Preparation

During preparation of this manuscript an AI assistant (Claude, Anthropic) was used to search for and check published figures against their sources, to run the secondary statistical analyses and to edit the language of the text. The author reviewed all output and takes full responsibility for the content. [Author to confirm or amend this statement to match the journal's policy and actual use.]

Data Availability

All data are from public sources listed in the reference list and in Table 1. The country and region data used in the analyses are reproduced in Tables 2 and 3. No new primary data were collected.

Funding

This study received no external funding.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

References

Adams, J. S. (1963). Toward an Understanding of Inequity. *Journal of Abnormal and Social Psychology, 67*, 422-436. https://doi.org/10.1037/h0040968

ADP Research (2026). *People at Work 2025: A Global Workforce View*. ADP Research. [Figure for Switzerland taken from a secondary compilation.]

Allan, B. A., Batz-Barbarich, C., Sterling, H. M., & Tay, L. (2019). Outcomes of Meaningful Work: A Meta-Analysis. *Journal of Management Studies, 56*, 500-528. https://doi.org/10.1111/joms.12406

Bowles, S., & Polania-Reyes, S. (2012). Economic Incentives and Social Preferences: Substitutes or Complements? *Journal of Economic Literature, 50*, 368-425. https://doi.org/10.1257/jel.50.2.368

Card, D., Mas, A., Moretti, E., & Saez, E. (2012). Inequality at Work: The Effect of Peer Salaries on Job Satisfaction. *American Economic Review, 102*, 2981-3003. https://doi.org/10.1257/aer.102.6.2981

Cerasoli, C. P., Nicklin, J. M., & Ford, M. T. (2014). Intrinsic Motivation and Extrinsic Incentives Jointly Predict Performance: A 40-Year Meta-Analysis. *Psychological Bulletin, 140*, 980-1008. https://doi.org/10.1037/a0035661

Cohen, J. (1988). *Statistical Power Analysis for the Behavioral Sciences* (2nd ed.). Lawrence Erlbaum.

Deci, E. L., & Ryan, R. M. (2000). The "What" and "Why" of Goal Pursuits: Human Needs and the Self-Determination of Behavior. *Psychological Inquiry, 11*, 227-268. https://doi.org/10.1207/S15327965PLI1104_01

Easterlin, R. A. (1974). Does Economic Growth Improve the Human Lot? Some Empirical Evidence. In P. A. David & M. W. Reder (Eds.), *Nations and Households in Economic Growth* (pp. 89-125). Academic Press.

Efron, B., & Tibshirani, R. J. (1993). *An Introduction to the Bootstrap*. Chapman & Hall.

Fan, W., Schor, J. B., Kelly, O., & Gu, G. (2025). Work Time Reduction via a 4-Day Workweek Finds Improvements in Workers' Well-Being. *Nature Human Behaviour, 9*, 2153-2168. https://doi.org/10.1038/s41562-025-02259-6

Frey, B. S., & Jegen, R. (2001). Motivation Crowding Theory. *Journal of Economic Surveys, 15*, 589-611. https://doi.org/10.1111/1467-6419.00150

Gagné, M., & Deci, E. L. (2005). Self-Determination Theory and Work Motivation. *Journal of Organizational Behavior, 26*, 331-362. https://doi.org/10.1002/job.322

Gallup (2026a). *State of the Global Workplace: 2026 Report*. Gallup. https://www.gallup.com/workplace/state-of-the-global-workplace.aspx

Gallup (2026b). *State of the Global Workplace: Regional Data Summary*. Gallup. https://www.gallup.com/workplace/697850/state-of-the-global-workplace-regional-data.aspx

Good, P. I. (2005). *Permutation, Parametric, and Bootstrap Tests of Hypotheses* (3rd ed.). Springer.

Hackman, J. R., & Oldham, G. R. (1976). Motivation through the Design of Work: Test of a Theory. *Organizational Behavior and Human Performance, 16*, 250-279. https://doi.org/10.1016/0030-5073(76)90016-7

Harter, J. K., Schmidt, F. L., Agrawal, S., Blue, A., Plowman, S. K., Josh, P., & Asplund, J. (2020). *The Relationship between Engagement at Work and Organizational Outcomes: 2020 Q12 Meta-Analysis* (10th ed.). Gallup.

Herzberg, F., Mausner, B., & Snyderman, B. B. (1959). *The Motivation to Work* (2nd ed.). Wiley.

Humphrey, S. E., Nahrgang, J. D., & Morgeson, F. P. (2007). Integrating Motivational, Social, and Contextual Work Design Features: A Meta-Analytic Summary and Theoretical Extension of the Work Design Literature. *Journal of Applied Psychology, 92*, 1332-1356. https://doi.org/10.1037/0021-9010.92.5.1332

IMF (2026). *World Economic Outlook Database, October 2026: GDP per Capita, Purchasing Power Parity*. International Monetary Fund.

Inglehart, R. (1977). *The Silent Revolution: Changing Values and Political Styles among Western Publics*. Princeton University Press.

Judge, T. A., Piccolo, R. F., Podsakoff, N. P., Shaw, J. C., & Rich, B. L. (2010). The Relationship between Pay and Job Satisfaction: A Meta-Analysis of the Literature. *Journal of Vocational Behavior, 77*, 157-167. https://doi.org/10.1016/j.jvb.2010.04.002

Kahneman, D., & Deaton, A. (2010). High Income Improves Evaluation of Life but Not Emotional Well-Being. *Proceedings of the National Academy of Sciences, 107*, 16489-16493. https://doi.org/10.1073/pnas.1011492107

Killingsworth, M. A. (2021). Experienced Well-Being Rises with Income, Even above $75,000 per Year. *Proceedings of the National Academy of Sciences, 118*, e2016976118. https://doi.org/10.1073/pnas.2016976118

Killingsworth, M. A., Kahneman, D., & Mellers, B. (2023). Income and Emotional Well-Being: A Conflict Resolved. *Proceedings of the National Academy of Sciences, 120*, e2208661120. https://doi.org/10.1073/pnas.2208661120

Macky, K. (2014, November). *Intrinsic, Extrinsic or Total Rewards?* [Conference presentation]. REMNET Annual Conference, Auckland University of Technology, New Zealand.

Parker, K., & Horowitz, J. M. (2022, March 9). *Majority of Workers Who Quit a Job in 2021 Cite Low Pay, No Opportunities for Advancement, Feeling Disrespected*. Pew Research Center. https://www.pewresearch.org/short-reads/2022/03/09/majority-of-workers-who-quit-a-job-in-2021-cite-low-pay-no-opportunities-for-advancement-feeling-disrespected/

Ryan, R. M., & Deci, E. L. (2000). Self-Determination Theory and the Facilitation of Intrinsic Motivation, Social Development, and Well-Being. *American Psychologist, 55*, 68-78. https://doi.org/10.1037/0003-066X.55.1.68

Shapiro, C., & Stiglitz, J. E. (1984). Equilibrium Unemployment as a Worker Discipline Device. *American Economic Review, 74*, 433-444.

Spearman, C. (1904). The Proof and Measurement of Association between Two Things. *American Journal of Psychology, 15*, 72-101. https://doi.org/10.2307/1412159

Wilson, E. B. (1927). Probable Inference, the Law of Succession, and Statistical Inference. *Journal of the American Statistical Association, 22*, 209-212. https://doi.org/10.1080/01621459.1927.10502953