

The Relationship between Job Satisfaction and Remuneration in Pakistan: Higher Education Institutes Perspectives

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Abstract: Empirical research has identified the various factors which affect the employees regarding their job satisfaction from the intrinsic and extrinsic aspects but limited work is done on the knowledge workers in this regard in the developing countries like Pakistan. A university teacher imparts training at the highest level in knowledge category however, factors influencing his/her satisfaction levels are not little known. An attempt has been made to relate the impact of job satisfaction with regard to benefits and salary of a university faculty member of Pakistan based on higher education universities. The result shows that there is a positive relationship exists between job satisfaction and pay of knowledge workers. This research is an attempt to undertake and analyze all those important aspects that improve the satisfaction level of teachers in the universities and promote learning culture. Pay is one of the most important and basic determinant of the job satisfaction of university teachers in Pakistan.

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1. Introduction

In countries like Pakistan, the class involved in transferring and sharing of knowledge are called teachers. In both public and private sectors, teachers are employed through contractual contracts and in government sector on permanent basis. The induction process is well worked out and candidates have to go through different stages of tests and interviews, then accordingly selected candidates are offered packages depending on the qualification and experience. Higher Education Commission (HEC) has helped in improving the standards of education for the colleges and university faculties in terms of higher salaries depending upon the universities profile whom they completed their final degree but this does not apply same for domestic universities faculties. Therefore, grievances against the job satisfaction exist in the faculty members in these prestigious institutions. In numerous studies of social sciences, salary impact on the workers' characteristics and job satisfaction has been found, so an attempt is made to gauge the impact and relationship between these two human resource variables.

Two-Factor theory of Herzberg is an interesting theory that highlights both academic and realistic implications of job satisfaction. It states that dissatisfied workers are more concerned about "conditions that surround the job" such as prevailing working environment, job security, pay, quality of supervision, called as hygiene factors (Herzberg et al., 1959, p.113). If employees are satisfied with their job, organization

output and efficiency will improve and turnover of employees will decrease.

Salary, reward or remuneration is defined as the compensation in lieu of the services rendered by the employee. It is always compared in relation to the timings on periodic basis. Pay or salary is an acknowledgement and regarded as reward to motivate and improve the workers behavior towards the goals set by the employer (Oshaghemi, 2000). Although there are many social factors important for enhancing the efficacy but salary impact is most potent and effective. The pleasure and satisfaction one derives from pay is important for life, as dissatisfaction leads to decreased interest in work and motivation. The objective of this study is to around the well debated question in the academia i.e., whether pay satisfaction positively influence employment, enthusiasm and routine, and it further lead to decrease in turnovers in academics. The current study seeks the answer in higher education institutes of Pakistan. The study is divided in to following sections i.e., after introduction which is discussed in Section 1 above. Section 2 shows the review of literature. Data and methodological framework is shown in Section 3. Results are discussed in Section 4. Final section concludes the study.

2. Literature Review

Human resource and rewards are well debated issues in academia arena. However, this debate is ignored in higher education institutes perspectives. Frye (2004) studied the link between salary and job

satisfaction and found a constructive relationship between them. Experience reveals that pay strategies have a positive impact on the performance (Ichniowski et al., 1997). Tasema & Soeters (2006) established a positive relationship between compensation practices and job satisfaction. The studies on employee's job satisfaction started almost a hundred years ago. In 1911, Taylor worked on employee's job duties (Taylor, 1911) and after seven years, Edward Thorndike worked on examining the association between job satisfaction and work and in 1918 he has published his work in the *Journal of Applied Psychology*. These studies brought out influencing job satisfaction factors. Studies on Job satisfaction continued to evolve and findings brought out humanistic and financial benefits. The fact is when employee is satisfied; he/she cares more about quality and organization (Bravendam Research Incorporated, 2002).

Majority of social scientists considered salary as an important factor which may influence on job satisfaction. Pay satisfaction variable is associated with outcomes of the organization significant in nature. Empirical evidence exists regarding the dissatisfaction of employees regarding pay which ultimately lead to decreased performance, motivation & job satisfaction and increased turnover, absenteeism and other problems related to pay e.g. lawsuits etc. (Huber & Crandall, 1994; Gerhart & Milkovich, 1990; Milkovich & Newman, 2002; Cable & Judge, 1994; Nisar et al., 2012; Huselid, 1995).

While Werther & Davis (1993) has explored that Job satisfaction depends upon the matching of rewards with the expectations of employees from the employer and other factors like desires, wishes and needs of the employees. Tasnim (2006) has conducted research in Bangladesh to find out the factors which affect the job satisfaction of female teachers and found that status and low salary greatly affected the female teachers in performing their duties. Okerlund et al., (1995) found that direct benefit of job is the Salary and an important motivating factor. If salary is not up to the expectations of the employees and less attractive then it can greatly affect the teachers regardless of gender. Relationship between the fringe benefits, salaries of employees and job satisfaction is found positive and strong. Schlechty and Vance (1983) suggested that the main reasons for the most academicians for quitting jobs are curtailed salary scales and lesser salaries of employees.

An essential purpose of job is to earn sufficient salary to sustain a good life. It is very natural that a handsome salary brings satisfaction and teachers have consensus on it. According to a Bangladeshi study (Tasnim, 2006), lower salary cannot help in bringing job satisfaction as it is not consistent with socio-economic conditions. Salary should be sufficient to cope up with the social standing and culture and cover the living cost.

If salary can not meet the living cost then teacher has to look for other earnings and would not be able to focus on job. Bennell (2004) analyzed teachers regarding status, work and pay and found that they are dissatisfied about their low status, pay and work. These arguments and findings from the literature review strengthen the assumption about close and positive association of University teachers with their job satisfaction.

As quality education in universities is deemed important for the growth of individuals on the one hand and development of the society on the other. Increase in economic reward is considered as one of the important tools to motivate the employee in any organization. Pakistani government has taken initiatives to enhance the quality of education in both private and public sector universities through Higher Education Commission. Various economic incentives (best teacher award, publication incentives, tenure track system, research grants) have been introduced by the Higher Education Commission for enhancing the education standards but still a huge proportion of university teachers are not highly qualified and working under old basic pay scale system. The pertinent question arises whether university teachers working under basic pay scale are satisfied with their pays or not? Satisfaction or dissatisfaction with the level of pay affect their overall satisfaction with job and influence their performance towards quality of education. The teachers less satisfied with their salaries are considered to be dissatisfied with their jobs in that they may teach in private educational institutions to raise their earnings at the cost of the quality of the education. In order to examine the satisfaction level of teachers regarding their pay, a study was held in University of the Punjab (Nisar et al., 2012). The aim of the study was to explore the relationship between job satisfaction and pay satisfaction of university teachers. A sample of 200 respondents, consisting of male and female, contractual and permanent was collected for this research work. The results showed that 47 percent were having medium level of pay satisfaction, followed by 35 percent that were having low level of pay satisfaction and only 18 percent were having high pay satisfaction.

In another research conducted in the Universities of Rawalpindi and Islamabad region in this regard (Bilal, 2012). Study focused on evaluation of the impact of compensation and other conditions related to workplace on the teaching staff of the university in context with their job satisfaction. The results indicate strong interrelation between salary and job satisfaction among teachers. Nguyen et al. (2003) found that relationship between pay satisfaction and Job satisfaction studies have tested that job satisfaction very much depends on the income. The workers are very much concerned about the payment schemes of the firms and guide their interests accordingly (Heywood and Wei, 2006).

Both human resource development and rewards are an important issue in academia arena, therefore, this study examines the relationship between Job Satisfaction and Remuneration on Higher Education Institutes of Pakistan.

3. Analysis and Discussion

In Pakistan University teaching is one of the most important aspects of knowledge sharing and imparting quality education. University teachers are hired on both contractual basis as well as permanent basis. Both motivation and job satisfaction are very important for the teaching faculty in discharging their duties and delivering knowledge in University environment besides other working conditions. Pay, Incentives, Compensation and other reward structures of the universities play an important role in satisfying the university teachers as well as motivating them to work efficiently. The working conditions affect both the male and female teachers regardless of their genders. Pay is one of the major and regular sources of earning for most of the university teachers in fulfilling their needs thus describing a direct, significant relationship with the job satisfaction.

Higher salaries result in high motivation for the university teachers and lower salary packages becomes de-motivating factors for the faculty members. Job satisfaction of the university teachers relies on their pay packages and other intrinsic and extrinsic reward strategies and structures of the Pakistani Universities. If employees especially University teachers are not satisfied with their pay then it would be a great cause of de-motivation, decreased performance, increased turnover absenteeism. Dissatisfied employees of the university would add problems for the universities and may indulge in litigation and lawsuits besides creating a dissatisfied environment for the rest of their colleagues.

Some of the findings are mentioned below:

1. In Pakistan, University teachers have a significant and positive relationship with the reward structure and Pay in context with their job satisfaction.

2. Pakistan is an emerging economy where social, economic, legal and political factors have severely impacted the working environment and lives of employees of the organizations. To sustain and fulfill a normal life, a better salary package for the teachers of the universities is imperative and essential.

3. Extrinsic Rewards are very important in improving and increasing the satisfaction level of the teachers of both genders at university level faculty in Pakistan.

4. Female and male faculty members have different variables of job satisfaction. The factors which count in the satisfaction of male faculty members are the rewards which are extrinsic in nature, commitment with organization and factor of equity and fair play. Whereas,

female faculty staff although give equal preference to extrinsic rewards but relationship among the staff, diversity embracement also affects the job satisfaction. It is found from the results however that teachers have extrinsic rewards as common indicators for job satisfaction in universities at Pakistan regardless of their gender.

5. HEC (Higher Education Commission) Pakistan has played an important role in offering lucrative pay packages to the university faculty in the form of Tenure track system, best teacher award, publication incentives, research grants etc. thus contributing magnanimously in enhancing and improving the job satisfaction level of the teachers of the Pakistani Universities.

6. Universities must take keen interest in devising the pay strategies for their teachers and give due consideration to the Pay Packages at par with HEC as it is one of the major satisfier for their faculty in performing their job effectively.

4. Conclusion

A major association exists between the pay of university teachers and their job satisfaction in Pakistan. The social needs if not fulfilled definitely hamper the efficiency and performance of the teachers, not satisfied with pay structure. The findings of the study clearly reflect that In Pakistani universities, the job satisfaction of teachers is very closely related to their pay satisfaction. Universities must give due consideration to these aspects while designing the compensation and reward strategies for its teachers. Universities should devise and offer attractive and lucrative pay packages to its teachers at par with HEC (Higher Education Commission) of Pakistan.

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