

Compensation satisfaction: A Case in Academics

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The overall aim of the study is to examine faculty satisfaction in regard to the compensation paid against the work done by them. Though a lot of studies have been conducted in the West, little evidence of comprehensive research has been found in Indian context. The study is unique in itself as it surveys among Indian faculty members. The investigation of the study is empirical, and is based on quantitative data. The present paper aims to study compensation satisfaction amongst faculty members at three private management institutes in the state of Punjab, India.

Key words: - Compensation satisfaction, Job satisfaction, Private Management Institutes

With the increasing number of students every year, India has seen an enormous growth of Management Institutes in the past one decade. This perpetual growth has created a crisis of getting suitably-qualified faculty members. Due to the dearth and scantiness of faculty, retaining and recruiting of human capital has become precarious. The institutes have been increasingly mushrooming, which provide ample opportunities to faculty for career advancement with better salaries. The faculty keeps changing institutions for better salaries and work-environment. This has made the scenario more intricate and convoluted in Indian institutes especially among the private ones. Consequently, it becomes imperative to study job satisfaction among faculty members in India. Enough number of studies has already been conducted by researchers across the world in the area of job satisfaction and its predictors. Research on job satisfaction has focused on a wide variety of job types and settings, predominantly business firms, but also hospitals, government agencies, professions, the military and, relevant for present purposes, university faculty (Bozeman & Gaughan, 2011).

Fatma Küskü (2003) concluded that even though there have been several studies on job satisfaction on academicians, a majority of these studies have been conducted by researchers in North America and European nations (Kanji and Tambi, 1999; Johnsurd and Heck, 1998). The studies conducted have been based on theoretical and empirical frameworks. On the basis of their work, many models have been formulated. Studies in Asian context are a few, moreover, in Indian context, the studies are rare.

Researches conducted in Western countries have studied the impact of compensation on faculty attrition. They argue that competitive compensation is an important factor in retaining and attracting faculty (Schuster and Wheeler, 1990; Moore and Gardner, 1992). In case of Indian academia, a trifling compensation provided to faculty is a disappointing spectacle. The Indian pay scales are miserable keeping in mind the cost of living. From the perspective of educational qualifications, a faculty with Masters Degree earns around Rs. 35000 a month in a private institute and with PhD Degree, the compensation may go upto Rs. 55,000 a month. To the extent that faculty at IIM's is paid Rs. 6.5L to Rs. 10L a year. Whereas a B-School in the West or any European country ranges from \$80,000 to \$1,20,000 a year depending on industrial experience.

Such a stagnation in compensation in India further leads to dissatisfaction in faculty and in academics; job satisfaction has a direct impact on turnover, quality of work and performance.

Review of Literature-

Evans, (1997) has defined job satisfaction of a lecturer as a "state of mind determined by the extent to which the individual perceives his/her job related needs being met". Literature shows a diversity of relationships between job satisfaction and

compensation. Some researchers argue that there is no significant relationship between job satisfaction and pay (salary), but some have observed a significant relationship between the two.

There have been several definitions of job satisfaction, but Spector refined the definition of job satisfaction to an attitudinal variable that measures how a person feels about his or her job, including different facets of the job. Studies indicate that faculty who are satisfied are more productive at work and are more likely to stay with the organization for longer duration of time (Eskildsen & Dahlgaard, 2000; Tang, Kim, & Tang 2000). There are several reasons that lead to exhaustive research on predictors of job satisfaction, and present study concerns in understanding how significant is salary in faculty's job satisfaction, which may be a predictor of why faculty members leave or intend to leave their institutions or academia (Barnes, Agago, & Coombs, 1998; Smart, 1990).

Literature review reveals that there is a significant relationship between pay and job satisfaction. Especially in private universities (Khalid, Irshad, Mahmood, 2012), salary has a very important affect on faulty retention. Kusku, 2003 measured the job satisfaction of academics in a university in Turkey by using the several factors of which pay is one along with general satisfaction. Chen et al., (2006) measured the job satisfaction of the teachers in private university in China by using six satisfaction determinants. Although most of the studies show a correlation between salary and job satisfaction, literature suggests that salary alone is not a predictor for job satisfaction. A survey conducted by Young et al, 1998 in the public sector failed to identify any significant relationship between pay and satisfaction. Further, the study showed the impact of a few other factors such as work-culture, rewards, promotions etc also have significant role to play in providing job satisfaction to the faculty members.

Bozeman & Gaughan (2011) examined the aspect of salary as the value of faculty in comparison to the worth in the market. Tang, Luna-Arocas, Sutarso, & Tang (2004) studied issues related to pay and pay perceptions exhaustively. Private colleges tend to have different policies and, therefore, there is less uniformity in the pay scales. Henceforth, the questions arise: Is it the actual amount of pay that is determinative or pay relative to one's colleagues or peers? Or is it the relationship of pay to expected pay or the pay one feels one deserves?(Bozeman& Gaughan,2011).Oshagbemi (2003) conducted a study amongst UK academics and found a significant positive relationship between pay, rank of employees and their level of job satisfaction.

Methodology of research-

The salary structure of private institutes varies immensely. Thus, keeping this factor in mind, three private management institutes have been chosen for conducting the study. The salary structure and the other financial benefits have been similar in all three institutes. These institutes are located in the state of Punjab, and, along with business management, run a few other professional courses such as bachelors and masters in engineering. The data collected from these institutes helps in generalizing the salary satisfaction of faculty in similar institutes. A survey was conducted with standardized job satisfaction questionnaire and 150 questionnaires were distributed among the faculty members. Only 72 questionnaires were returned, with a response rate of 48%. However, only 66 questionnaires were usable for analysis. Five point likert scales was used to find out the satisfaction with salary of faculty. Demographically, the faculty was asked to categorize themselves according to age, gender, years of service at the current university and current position they were holding.

Findings-

Demographic profile of respondents:

Total Respondents		66
Gender	Males	43%
	Females	57%

Tenure	Faculty serving the institute for less than 5 years	76%
	Faculty serving the institute for more than 5 years	24%
Designation	Lecturers	7%
	Assistant Professors	46%
	Associate Professors	41%
	Professors	5%
Age	25-34	63%
	35-44	24%
	above 45	13%

We observe strong statistical significance exists at ($p < 0.05$) for the parameters of compensation (0.000). Faculty was asked to fill the survey which had the following questions primarily:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The compensation I get is in balance with the amount of work done	8%	13%	11%	47%	21%
Teachers are overall underpaid	12%	38%	27%	16%	6%
I am satisfied with the amount of pay I get as compared to other institutes	5%	13%	10%	61%	11%
I am satisfaction with other benefits I get in addition to my compensation	7%	24%	16%	52%	1%

Discussion and Implication-

The astonishing results have been found in the conducted study. Faculty is dissatisfied with the salary given by their institutes. They feel that it is not competitive enough to make them feel motivated and committed. This, further, creates disinterestedness among them towards their duties and responsibilities to lose the feeling of ownership for the organization. Lack of extrinsic satisfaction i.e. competitive compensation leads to attrition of faculty. Loosing talented faculty is a loss to the college in terms of resources without which it gets difficult for it to grow thus, in order to retain good and talented faculty, an organization must endow employees with recognition of achievements and by providing good salary and incentive schemes. Having equity in the compensation practices in an organization, according to faculty's relevant past experience and educational qualifications would ensure a just feeling among the faculty community.

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Limitations and Future Research-

As in case of any study, this study also observes some limitations. Firstly, the study covers only one predictor of job satisfaction ie salary. Secondly the sample size is insufficient to make a generalization about the other private management institutes. This study has been conducted at three private institutes. This study can be extended to other institutes considering other parameters also of job satisfaction. Also, the sample size can be increased.

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