

Impact of employee benefits on job satisfaction of teachers at higher level

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Abstract

The study was designed to investigate the difference of employee benefits provided to the male and female employees, to investigate the difference of job satisfaction between male and female employees and to assess the impact of employee benefits on job satisfaction of the teachers at higher level. The research design was based on survey method. Population of the research was consisted on the male and female employees of the universities. Stratified sampling technique was selected while keeping in view the strata present in research population. The sample size of the research was based on 160 faculty members selected from the different universities of Islamabad. Due to the limitation of time and resources the study was delimited to the contractual employees only. Two sets of questionnaires were used in order to collect the data. An Employee Benefits Assessment Scale was developed by the researcher while a Job Satisfaction scale was adopted from the work of Diener, Ed., and Biswas-Diener, Robert. (2008). The data revealed that Leave travel allowance, House hiring, Covance allowance, Qualification allowance, Special duty allowance, Pension benefit, Central provident fund, General provident fund, Medical after retirement, Housing schemes, Benevolent fund, Club memberships, Health insurance, Life insurance, Performance bonus, Outdoor medical facility, Medical assistance in campus, Overtime policy and Refreshment trips were not being provided to the majority of the employees. Additionally there was statistically no significant difference between male and female employees with reference to general allowances, retirement benefits, medical facility, work environment and transportation. There was also no significant difference in the level of the job satisfaction of male and female employees. The research describes 54 percent variation in job satisfaction is due to employee benefits provided by the university management.

Introduction

Organizations are developed and managed by the human beings to provide services to the society. To run the organizations we need human resource. Human beings are the major working machinery that makes the work system efficient and effective. Human resource provides their time, energy and efforts. In return the organizations are responsible to fulfill the needs of the employees. It has been proved from the researches that when employees are satisfied from the work environment their efficiency towards the work is increased (Kaya E. 1995). The studies that have dealt with the working conditions as a factor of job satisfaction shows that employees prefer working conditions which are not dangerous and unpleasant (Robbins, 1998). Employee satisfaction is directly related with the fulfillment of the needs of the employees. Human needs are of many types depending upon the nature, situation and environment of the person.

When organizations structure their system keeping in view the needs of the employees and focus their attention on the provision of resources to meet these needs, it is called employee benefits. Employee benefits can be referred to the benefits that are provided to the employees in addition to their salary. These benefits are the source of job satisfaction and relaxation and can be provided in monetary and non-monetary both forms.

Educational institutions as an organizations need to be more concerned with the job satisfaction of the employees. The reason is that the product produces by the educational organizations is the values and attitudes of the future generation. Thus the employees in these organizations are more concerned with the development of the future generation. In this way it becomes more important to provide all the possible and required benefits to the employee especially teaching faculty to increase their job satisfaction. So their work efficiency would be

reflected in the values and the attitudes of the future generation. This would also enhance the value of the teaching as a profession.

Literature Review

Organization competitive advantages depend largely on the way human resources are managed and it further indicates about success or failure of the organization in future (Lawler, 2003). In the world now, skilled and motivated workforce is the most wanted element for the employer and at the same time such type of motivated people also want to have a platform for their performances (Munsamy & Venter, 2009).

Motivation is a process including force to energize behavior for the sake of goal attainment (Baron, 1983). A motivated person becomes positive and practical when he /she has confidence on objective achievement (Armstrong, 2007). Almost all organizations prefer to have such energetic and motivated employees for meeting challenges of modern time. In this regard, number of different rewards is incorporated for improving employees' performance and turnover. According to Spector (2003) organizations are trying to retain their employees through monetary and non-monetary rewards.

Reward system of an organization makes it possible to motivate its employees and enrich its culture as well (Yiamiis, Loannis & Nikolaost, 2009). It was further explained that reward system should be desired behavior oriented. In the words of Abendschein (2004), people normally are attached more by the organization providing rewards of any type and they want to stay there for longer period of time. Kerr-Phillips and Thomas (2009) presents South African organizations initiatives regarding their reward programs modifications that strategies must be based on interest of the manpower available. With reference to motivational tool Furnham (2005) highlights the fact that it is more important for employees that how fairly they are rewarded than how much rewards are paid to them.

According to Gross & Friedman (2004) express significant factors which actually formulate a reasonable reward program like globalization, executive pay, work related knowledge, realization of talented people and corporate governance. Reward system of any organization serves as a great tool of the management for the sake of attracting, energizing and maintaining skilled employees (Mulvey and Ledford, 2002).

Monetary Benefits

According to Roth (1989) financial compensation only does not fulfill the purpose of productive outcomes while serving as a tool by the organization. On the other hand, Sweeney & McFarlin (2005) conclude that pay provided to employees is one of most effective and considerable reward. Armstrong (2007) takes monetary reward important as a source of basic needs provider. Financial incentives are incorporated mainly as a technique to attract and retain employees (Milkovich & Newman, 1993). Ross & Zander (1957) also defended monetary rewards as an attractive source of needs achievement. In this context Agarwal (2010) discusses the importance of "money" as a strong element in the organization which is only employ for desired employee performance. Money or monetary incentives are of great value while non-monetary rewards lose their desirability after a certain period of time (Agarwal, 2010).

"Wage levels have significant influence on retention rates" (Lazear, 1998). As Huang et al (2006) analyze and interpret a case study on Taiwanese construction organization which provides a fact that monetary benefits are more strong elements for employee motivation. Nel et al (2001) refers to Herzberg's theory of motivation for better elaboration of place of monetary and non-monetary rewards. In this respect, Herzberg (1968) intricate that monetary benefits are not motivators in fact, these (working conditions, compensation, salary etc.) are just satisfiers. Motivation according to Herberg's hygiene-motivation theory, performance can actually be boosted up through non-financial factors like achievement, recognition, personal growth, participation and interesting work.

Non-Monetary Benefits

The greatest benefits for employees are their psychological needs or non-financial incentives provided at their workplace (chiu, Luk & Tang, 2002). According to the words of Lawler (1969) monetary benefits influence employees' behavior shortly which non-monetary benefits are long-run inducement. Motivation, according to Manolopoulos (2008) is of extrinsic and intrinsic types and extrinsic type is provided through financial and intrinsic motivation is ensured through non-financial rewards. The organization neglecting the arrangement and implementation of non-monetary incentives may grapple with worst reactions from the employees.

A list of non-monetary rewards given by Woodruffe (2006) includes praise, feeling of being trusted. Autonomy, advancement, work conditions, employer commitment, feeling of serving to a reliable organization and civilized treatment. Rynes, Gerhart & Minette (2004) found that majority of workers do not take money as motivator for themselves.

By expressing individual preferences for world of work Nelson (2004) added non-monetary elements like flexibility, significance of role, personalized acknowledgement and appraisal, work-life balance. Mathauer &

Imhoff (2006) spotlighted that employees' personal preferences determine the effectiveness of non-monetary benefits. It is essential for a manager to have an idea about employees' perception about rewards and reward program for organizational progress and prosperity.

Across (2005) argues that employees if not provided independent working environment cannot perform well. Maslow (1998) affirms that non-monetary benefits are more manipulative than monetary benefits. Airoldi (2006) stated that seventy percent of administrators employ non-financial compensation for their employees for their motivation.

Research Objectives

1. To investigate the difference of employee benefits provided to the male and female employees.
2. To investigate the difference of job satisfaction between male and female employees.
3. To assess the impact of employee benefits on job satisfaction of the teachers at higher level.

Research Hypothesis

- Ho1 There is no difference of employee benefits provided to the male and female employees.
Ho2 There is no difference of job satisfaction between male and female employees.
Ho3 There is no impact of employee benefits on job satisfaction of the teachers at higher level.

Methodology

The research design was quantitative by nature. The statistical analysis was carried out to test the hypothesis. Survey method was used in order to collect the data for the research. The population of the research was consisted on all the faculty members hired by the universities of Islamabad. There were 17 universities working in the Islamabad city among which 13 were from public and 4 were from private sector. There were 10223 faculty members were working under these 17 universities (Public=8693, Private=1530). The population was divided into two major strata (Male and Female). In total there were 7089 employees were male and 3143 employees were female.

Stratified random sampling technique was selected to draw the sample for the study. The population of the study was divided into two major strata according to the objectives of the study. These strata were based on male respondents and female respondents. On the basis of the population male and female respondents were selected to collect the data. Two sets of questionnaires were used as the research instrument. One questionnaire was developed by the researcher to assess the employee benefits provided to the employees of the universities in Islamabad. "Employee Benefits Assessment Questionnaire" was based on six major sections that were general allowances, retirement benefits, insurance and bonuses, medical facility, work environment and transportation.

The second scale was selected to assess the job satisfaction of the employees. The job satisfaction questionnaire was developed by Diener, Ed., and Biswas-Diener, Robert. (2008). Job Satisfaction Questionnaire was used to assess the difference between the job satisfaction of male and female respondents. The data was collected by the personal visits of the researcher to the respondents. Keeping in view the limited time and resources the study was further delimited to the employees working on contract bases. The data was further coded and analyzed with the help of Statistical Package of Social Sciences (SPSS). Further the data was tabulated and presented in the form of the tables. The findings were drawn and the recommendations were developed.

Results

1. It has been concluded from the findings that the Employee Benefits Assessment Scale that was developed by the researcher to assess employee benefits was reliable. The Cronbach's Alpha reliability of the scale was .84 (Table No. 1). It shows that the scale can be used further in future researches with a fair amount of confidence. On the other hand the reliability of the Job Satisfaction Scale was .78 (Table No. 1).
2. It was found that the majority of the respondents reported that they were not availing Medical allowances, Leave travel allowance, House hiring, Covance allowance, Qualification allowance, Special duty allowance, Pension benefit, Central provident fund, General provident fund, Medical after retirement, Housing schemes, Benevolent fund, Club memberships, Health insurance, Life insurance, Bonus, Performance bonus, Outdoor medical facility, Medical assistance in campus, Fuel fund, Memberships of the educational organizations, Flexible timing, Overtime policy and Refreshment trips (Table No. 2).

3. It was found that there was statistically no difference between the responses of male and female respondents with respect to general allowances, retirement benefits, medical facility, work environment and transportation facility (t value= 1.14, .20, -1.62, -.64 and -.12 respectively) (Table No. 3).
4. It has been found that there was statistically significant difference (t value= -2.07) at 0.05 level between male and female respondents only with reference to insurance and bonus (Table No. 3).
5. It is also revealed from the data that there was no statistically significant difference of job satisfaction between male and female respondents (Table No. 5).
6. The table No. 6 indicates that the R^2 value is 0.054. It explains that the independent variable (Employee Benefits) describes 54 percent variation in job satisfaction. The rest is due to some other factors. While the coefficient (B= .233) was significant at 0.01 level. It indicates that employee benefits and job satisfaction are positively related with each other.

Discussions

According to Thompson, E.R.; Phua F.T.T. (2012) job satisfaction is referred to an emotional state of being happy and relaxed with the job and its content. The researches (Herzberg, F. 1968; Huang, I., Lin, H., & Chuang, C. 2006 and Kaya E. 2006) have been proved that job satisfaction is very much related to the facilities and the environment provided at the work place. Thus the current research was also designed in the same perspective. The data revealed that most of the employee benefits such as House hiring, Covance allowance, Qualification allowance, Special duty allowance, Pension benefit, Central provident fund, General provident fund, Medical after retirement, Housing schemes, Benevolent fund, Club memberships, Health insurance, Life insurance, Performance bonus, Outdoor medical facility, Medical assistance in campus, Fuel fund, Memberships of the educational organizations, Flexible timing, Overtime policy and Refreshment trips were not being provided to the employees serving in the universities of Islamabad. The response of the male and the female respondents was same and there was no significant difference between male and female respondents with reference to general allowances, retirement benefits, medical facility, work environment and transportation facility. The data also proved the fact that employee benefits that are being provided to the university employees effect job satisfaction up to 54 percent. Thus it can be concluded that if the university management develop a plan of action to provide employee benefits in a proper schedule and focus its attention on the benefits that are reported as still being not provided to the employees. It is possible to increase job satisfaction up to 100 percent.

Recommendations

1. In the light of the findings it is recommended that the university management may pay proper attention to provide House hiring and Housing schemes to its employees. Being a basic need to have shelter and security it may attract the employees to provided better output to the universities in return.
2. The employees may be entertained according to the Qualification. This may also attract the employees to enhance their qualification that is more important in the field of education in comparison to any other field of profession.
3. The universities may provide allowance on assigning any Special duty. It can be in the form of money as well as any recognition award or certification. This type of recognition would also increase the sense of owner ship among the employees.
4. Benefits such as Pension, Central provident fund, General provident fund, Medical after retirement and Benevolent fund may also provide to the employees to attract the skilled and efficient minds to the teaching profession.
5. Benefits like Club membership, Health insurance, Life insurance, Performance bonus may also be provided additionally depending upon the sources of the university management. It can be possible by collaborating with the reliable insurance companies and other organizations.
6. Outdoor medical facility, Medical assistance in campus may also be provided to the employees to have a safe facility in case of need.
7. Memberships of the educational organizations and libraries may also be provided to equip the faculty with the new techniques, skills and knowledge.
8. Refreshment trips may also be arranged to order to develop social networks and to increase socialization between the employees. This socialization would also be helpful in developing a productive environment and job satisfaction.

Table No 1 Cronbach's Alpha Reliability of the Scales

Employee Benefits Assessment Scale	N of items	Cronbach's Alpha
	31	.84
Job Satisfaction Scale	N of items	Cronbach's Alpha
	15	.78

Table No. 2 Assessment of Employee Benefits

Item	Yes (Percentage)	No (Percentage)
1. Medical allowance	52.5	47.5
2. Leave travel allowance	28.1	71.9
3. House hiring	41.9	58.1
4. Covance allowance	45.6	54.4
5. Qualification allowance	46.9	53.1
6. Special duty allowance	28.1	71.9
7. Pension benefit	42.5	57.5
8. General provident fund	47.5	52.5
9. Central provident fund	23.1	76.9
10. Medical after retirement	15.0	85.0
11. Club memberships	6.9	93.1
12. Benevolent fund	26.2	73.8
13. Housing schemes	9.4	90.6
14. Health insurance	15.6	84.4
15. Life insurance	10.6	89.4
16. Bonus	16.2	83.8
17. Performance bonus	20.6	79.4
18. Satisfactory salary	49.4	50.6
19. Indoor medical facility	68.8	31.2
20. Outdoor medical facility	28.8	71.2
21. Medical assistance in campus	33.1	66.9
22. Annual leave	80.6	19.4
23. Sick leave	84.4	15.6
24. In service training	66.9	33.1
25. Work sharing	56.2	43.8
26. Refreshmnt trips	13.8	86.2
27. Overtime policy	28.1	71.9
28. Flexible timing	33.1	66.9
29. Memberships	16.2	83.8
30. Transport facility	57.5	42.5
31. Fuel fund	13.1	86.9

Table No. 3 Comparison between male and female employees (t-test)

Variable		N	Mean	t value	df	Sig
General Allowances	Male	64	9.80	1.14	158	.25
	Female	96	9.42			
Variable		N	Mean	t value	df	Sig
Retirement Benefits	Male	64	12.33	.20	158	.84
	Female	96	12.27			
Variable		N	Mean	t value	df	Sig
Insurance and Bonuses	Male	64	8.62	-2.07	158	.04
	Female	96	9.04			
Variable		N	Mean	t value	df	Sig
Medical Facility	Male	64	4.53	-1.62	158	.10
	Female	96	4.80			
Variable		N	Mean	t value	df	Sig
Work Environment	Male	64	12.16	-.64	158	.52
	Female	96	12.33			
Variable		N	Mean	t value	df	Sig
Transportation	Male	64	3.36	-.12	158	.90
	Female	96	3.38			

*P<0.05

**P<0.01

Table No. 4 Comparison between male and female employees (t-test)

Variable		N	Mean	t value	Df	Sig
Employee Benefits (Total)	Male	64	50.80	-.46	158	.64
	Female	96	51.24			

*P<0.05

**P<0.01

Table No. 5 Comparison between male and female employees (t-test)

Variable		N	Mean	t value	Df	Sig
Job Satisfaction	Male	64	44.69	.84	158	.40
	Female	96	43.74			

*P<0.05

**P<0.01

Table No. 6 Relationship between Employee Benefits and Job Satisfaction (Regression Analysis)

Independent Variable	Dependant Variable	B (Coefficients)	T	Sig.	R Square
Employee Benefits	Job Satisfaction	.233	-3.01	.003	.054

- a. Dependent Variable: Employee Benefits
- b. Independent Variable: Job Satisfaction

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