

Compensation and Benefits: Opinions and Reflections on Current Practices in the Universities of Punjab, Pakistan

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Abstract

This study covers the various forms of direct compensation—i.e. employee's pay, short and long term incentives, organizational performance awards etc. It also deals with indirect compensation such as paid leave, insurance, retirement income and various employee benefits. Present study was conducted in the selected five old and five new public sector universities of Punjab, Pakistan. The main objectives of the study was to analyze the old and new universities teachers' opinions on compensation and employee benefits and to investigate about the planning of universities to make incentive system more attractive. Research indicated that compensation and employee benefits motivate teachers to show good performance and productivity of the teachers increases by linking compensation to performance.

1. Introduction

According to Kessler and Rebore rewards system incorporate both intrinsic and extrinsic rewards [4] [7]. Extrinsic rewards are further divided into Direct and indirect compensation. Direct compensation includes pay of a person, financial incentives, organizational performance based awards, and promotions. Indirect compensation includes leave with pay, leave without pay, insurance programs, pension on retirement and various other services, most generally referred to as "benefits" that employers use to magnetize, recognize, retain and motivate personnel to contribute to the organizational objectives.

Recognition programmes involve rewards of both kinds i.e. monetary as well as non-monetary nature [5]. Modes of recognition may consist of social reinforcers, such as letters of commendation; travel prizes; or extra time off, and even the verbal appreciation privately or publically etc. McAdams

further joins the chorus of Serino and Stajkovic and claims that non-financial recognition awards are not only more motivating but are also economical as compared to cash incentives [9] [10]. Managerial recognition of the employee performance was also recognized as most salient sources of employee engagement and mobilization that plays cardinal role in organizational change and continuity towards success [2].

There are two features of pay composition in every organization: job structure and level of pay. Job structure means relative pay for different jobs and level of pay is the average amount an organization pays for a work. Therefore, pay structure is a policy resulting from job structure and pay level decisions [6]. In Pakistani public universities Basic Pay Scales (BPS) are well defined by the Government. Full-time teachers except those on tenure-track receive monthly salaries according to their scales/ grades. Teachers' salaries in universities are given on the basis of revised pay scales that shows pay rates of teachers holding a job under different pay scales/ grades are attached in annex-L [3]. Teachers' are appointed against following pay scales/ grades in universities:

Position Title	Grade
Lecturer	18
Assistant Professor	19
Associate Professor	20
Professor	21 & 22

Before June 2007, university teachers were appointed on grade 17 and above. Teachers were upgraded during the data collection period. According to the universities' records, full-time teachers were generally offered following benefits:

1. Pension and gratuity/ commutation
2. On and off campus medical facilities
3. Different types of loans i.e. loans to purchase vehicle, loans for house construction etc.
4. At campus and outside the campus residential accommodations

5. Different types of allowances and increments i.e. conveyance allowance, PhD allowance, entertainment allowance etc.
6. Leaves i.e. Casual leave, Earned leave (with full and half pay), Extra ordinary leave, Study leave, maternity leave (for females), special leave/ iddat leave (for females), Ex-Pakistan leave, Sabbatical leave, Quarantine leave (on suffering from infectious disease), leave preparatory to retirement/ leave encashment, disability leave etc. (Source: University records, Reports, Calendars, Acts, notifications, and information provided on a Performa made by the researcher by the concerned administrative personnel)

British universities operate a variety of different systems for rewarding and recognizing the achievements of academic staff. Their central weakness is that they are not adequately funded and, particularly in the older universities, this system is inflexible. The result is that most universities have systems which neither reward achievement well enough nor deal effectively with under-achievement. The consequences for staff morale and work motivation cannot really be estimated precisely, but they are considerable [21]. A study for the UK department of health highlighted seven new organizations which had offered new pay structures [1]. It was found that only one among seven organizations really tried to systematically assess the usefulness of the changes made by them, and there was no evidence on the achievement of objectives for the changes in the other organizations. In another study employees are more likely to be concerned about fairness issues if individual performance is not recognized. The frequency of reward concerns expressed by employees in large organizations is higher than in smaller organization. Organization type also has influence on the concerns employees express about the reward programs. Furthermore, fairness issues were different for reward professionals in private sector organizations and those in not-for-profit or government sectors [8]. Current study was also conducted to examine the reward programmes offered by the public sector universities in Punjab, Pakistan.

2. Focus of the Study

Present study was conducted to examine the reward system in the selected public sector universities of Punjab, Pakistan

3. Objectives of the Study

The objectives of the research were to:

1. analyze the Old and new universities teachers' opinions on compensation and employee benefits
2. find out the types of rewards given in the universities
3. Investigate about the planning of universities to make incentive system more attractive for teachers.

4. Research Participants and procedure

The research study was both quantitative and qualitative in nature. Practices regarding compensation and employee benefits were analyzed through opinions and information on the outline given below:

1. Information about pay structure and benefits provided by universities
2. Teachers' opinion
3. HoDs' opinions
4. Registrars' reflections
5. HRM experts' reflections

Interviews were conducted from Registrars and HRM Experts. Questionnaires were administered to the Teaching faculty and Heads of the Departments (HoDs). Documents were also analyzed not only to review the related literature but also to cross validate rewarding practices at universities. Information from university records, Reports, Calendars, Acts, and notifications was also analyzed.

The universities were divided into two groups i.e. old and new universities.

Table 1. Universities included in the sample

TYPE	Name of the University	Year of Establishment	Total Departments
Old Universities	University of the Punjab, Lahore	1882	66
	University of Engineering & Technology, Lahore	1961	16
	University of Agriculture, Faisalabad	1961	49
	Bahauddin Zakariya University, Multan.	1975	28
	Islamia University, Bahawalpur	1975	33
New Universities	University of Engineering and Technology, Taxila	1993	04
	University of Arid Agriculture, Rawalpindi	1995	16
	Govt. College University, Lahore	1997	21
	Fatime Jinnah Women University Rawalpindi	1998	14

5. Questionnaire

The research questionnaire, administered in English, elicited responses from universities’ Heads of the departments (HoD), concerning their management approaches to reward their faculty. Another questionnaire was developed to collect the opinions of faculty members about rewarding practices.

6. Interviews

Interviews were conducted with registrars and experts in the field of human resource management. For this study those senior most university teachers who were teaching business management were selected to get their insights on the reward system in the universities. Since the focus of this particular study was on the views of academics and administrators and to increase the possible influence of institutional differences, a randomly selected sample of the universities in the province of Punjab was included. Attention was also given to achieving a spread of institutions within the broad institutional groupings. The information and opinion collected

through interviews of the four different categories of interviewees was then analyzed.

7. Documents

Documents were the third data source and were used to cross-validate the questionnaire. Many types of documents were analyzed. The range of documents was diverse and included: university calendars, files, statutes, and other documents on the topic under investigation.

8. Analysis of the Data and Results

The benefits are almost similar for all full time teachers in public universities. Further, teachers and HoDs were asked about compensation and benefits provided by the universities through some open and close ended questions. The analysis of data is given below:

9. Teachers’ opinions

Opinions of teachers were solicited on seven indicators of compensation and employee benefits. Chi-square and mean response values are presented in the table 2 and figure1.

Table 2. Old and new universities teachers’ opinions on compensation and employee benefits

Compensation and employee benefit indicators	Type of University	Number of teachers	Degree of response level					Mean	χ^2	Sig. level
			S.D %	D %	UD %	A %	SA %			
1. Revised and increased salary structure should be offered to the faculty of the university.	Old	400	2.0	3.8	7.5	43.0	43.8	4.23	3.217	010
	New	181	1.7	1.1	5.5	32.6	59.1	4.46		
2. A mechanism exists to reward on good work of teachers in university.	Old	403	6.0	21.1	23.1	34.0	15.9	3.33	3.295	010
	New	183	12.0	15.3	30.6	26.2	15.8	3.19		
3. Good performance is rewarded in the university	Old	401	5.5	17.2	28.9	35.9	12.5	3.33	.788	594
	New	184	8.7	14.1	28.3	35.9	13.0	3.30		
4. Productivity of the faculty increases by linking compensation to performance.	Old	395	1.5	5.1	13.7	51.9	27.8	3.99	8.607	001
	New	177	1.1	6.8	22.6	33.3	36.2	3.97		
5. Compensation and employee benefits provided in the university motivate teaching faculty to perform better.	Old	398	3.3	8.3	16.6	41.7	30.2	3.87	.897	755
	New	181	4.4	7.7	20.4	39.2	28.2	3.79		
6. Generally rewards are given to the teachers fairly.	Old	403	5.0	16.4	35.7	33.5	9.4	3.26	.711	152
	New	183	9.8	12.0	37.2	30.6	10.4	3.20		
7. Political affiliations play a vital role in getting rewards and benefits.	Old	399	17.8	33.1	25.8	17.3	6.0	2.61	3.127	000
	New	181	13.3	18.2	32.0	23.2	13.3	3.05		

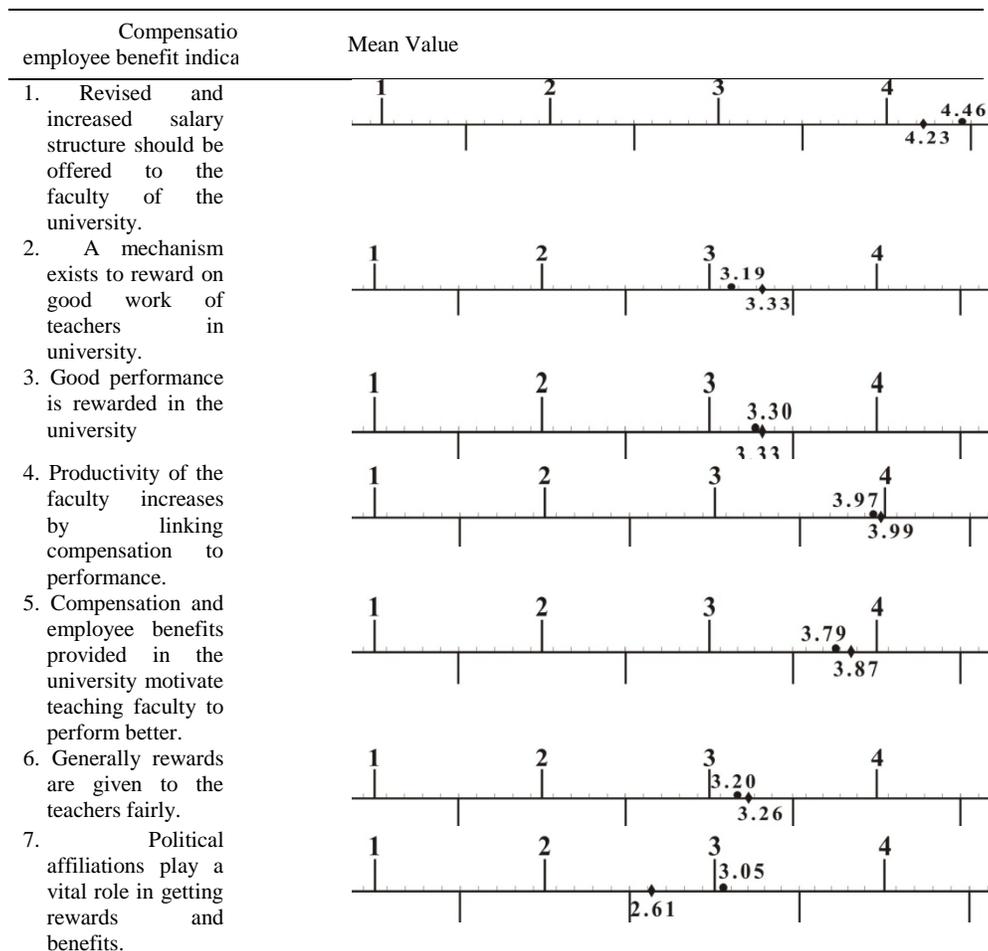
Chi-square test revealed that opinions of teachers from old and new universities were not significantly different on three indicators and were different on four indicators.

The table indicated significant association between type of university and teachers' opinion on item 1 and 4. High mean values showed that teachers in new universities were more concerned for the provision of revised and increased salaries as compared to old university teachers and more teachers in old universities opined that productivity of faculty increases when they are compensated against their performance as compared to new universities. While, presence of mechanism to reward good work of university teachers was also confirmed. Mean values indicated more favourable opinion of old university teachers on this statement. Chi square values also showed that teachers' opinions were dependent on the type of university. This view was strengthened with teachers' opinion on item 5, that compensation and employee benefits motivated them to perform better.

Chi square test further revealed that there was significant association between teachers' opinion and

university type on item No 7. In other words, more teachers in new universities ($\bar{x} = 3.05$) expressed their opinions that political affiliations play a vital role in getting rewards and benefits than in old universities ($\bar{x} = 2.61$). In this way more political influence was found in new universities as compared to old universities.

The mean response value on item number 6 showed that teachers of both type of universities believed that generally rewards were given fairly to teachers. Item 3 complemented this opinion that good performance was rewarded in both types of universities. But this statement was contrary to the opinion on item number 7 in new universities; where teachers said that political affiliation play a vital role in getting rewards and benefits. While old university teachers negated the role of political affiliations in getting rewards which confirmed their previous stance that rewards are given fairly in their universities. Following figure shows the relative difference of teachers' opinion on a scale ranging from 1-5, on indicators regarding compensation and employee benefits:



◆ Old University ● New University

Figure 1. Relative means difference of old and new university teachers' opinions on compensation and employee benefits

10. Head of the Departments’ (HoDs) opinions

HoDs were asked about the type of rewards given to faculty on their good performance through open ended questions. Responses were given in narrations, which were coded later. On the whole, 16% HoDs (23% in new and 11% in old universities) said that no rewards were given on good performance by their universities. In this way more HoDs from new universities responded negatively and said that no

rewards were given on good performance in their universities as compared to old universities. Similarly, greater response percentages were found on “Non-monitory rewards” in new universities as compared to old universities. The results indicate that more old university HoDs responded affirmatively on receipt of monitory rewards as compared to new universities. Overall, majority of the respondents i.e. 84% HoDs said that rewards (monitory and non-monitory) were given on teachers’ good performance in both types of universities.

Table 3. Rewards on good performance

Responses	Old universities		New universities		Total	
	Frequency		Frequency		Frequency	
No reward	06	11	08	23	14	16
Monitory reward	25	47	09	26	34	39
Non-monitory reward	22	42	18	51	40	45
Total	53	100	35	100	88	100

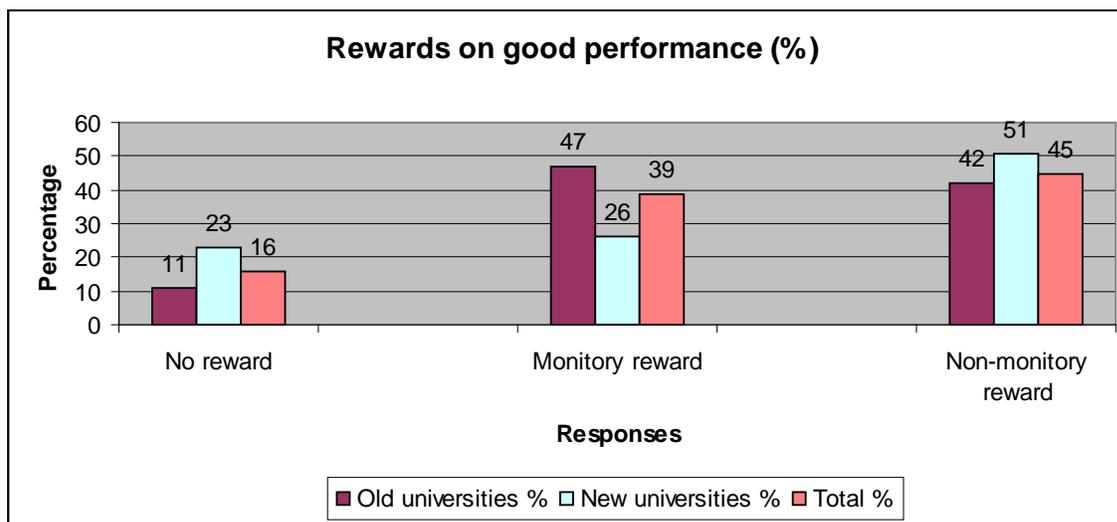


Figure 2. Rewards on good performance

11. Registrars’ reflections

When Registrars of universities were asked if their universities are planning to make incentive system more attractive for teachers who are motivated to work hard, they reflected that they are providing incentives announced by the HEC. Beside that teachers are offered incentives on research work, handsome salary packages, and residential facilities. Some reflections of registrars of old and new

universities on provision of attractive incentive packages to the faculty are given here for reference. One of the registrars from new university reflected in following words:

“...In Pakistan people who are working hard are not getting the right reward. As a result they are losing their concentration, interest and commitment. So this is very important matter to look into... We provide funds for writing research papers; teachers go to attend international conferences. We provide leave and NOC to attend conference or present

paper. We facilitate them. A large number of teachers have availed this facility. We pay them registration fee for presenting paper.”

An old university registrar stated on the provision of incentives:

“University is offering very handsome salary package to teachers on Tenure Track System. Other teachers are offered four salaries in a year under better Incentive Scheme on the basis of criteria given by HEC and Syndicate.”

When registrars were asked about the criterion to determine merit in rewarding their faculty, on the whole, their responses were categorized in five areas. Response percentage is shown in figure 3. Teaching & research work and other academic activities were recognized as major categories with 38% and 28%, respectively.

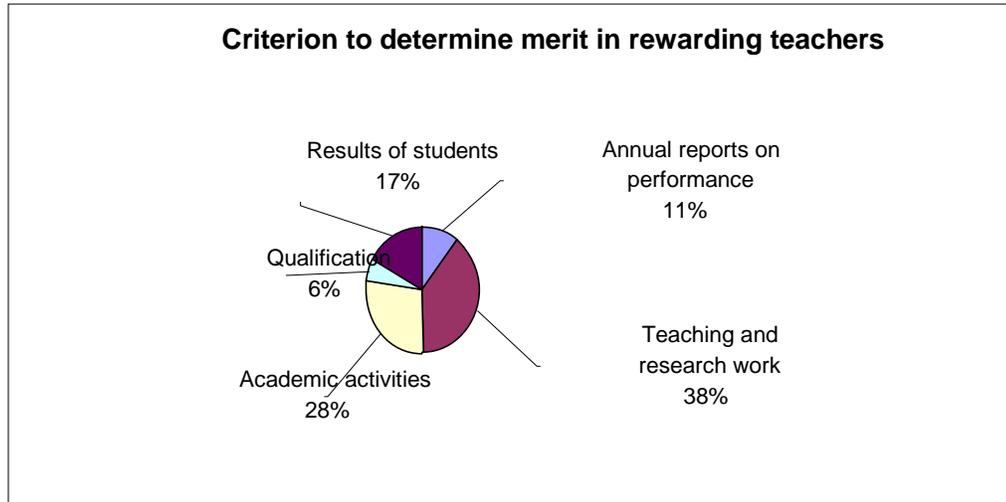


Figure 3. Criterion to determine merit in rewarding teachers

Registrars of old universities responded about the criterion for merit based rewards in the following words:

“Incentive is granted on the basis of research activities, supervision of undergraduate, graduate and Ph.D. students as well as the teacher’s evaluation by the Departmental Committee”

“..... We invite applications from faculty members to indicate their teaching and research work during a year. Then we process their cases for the award of incentive based on the parameter indications mentioned.”

In new universities following criterion which was in line with old universities criterion, was stated:

“According to program, academic activities, qualifications, results of students, research pursuits, co-curricular activities, and public dealing are considered in rewarding teachers. These are main considerations to determine criteria for best teacher award in our relatively new university.”

12. HRM experts’ reflections

HRM experts were asked about the new ways to reward university teachers. They mostly suggested that performance based financial rewards should be

given, and opportunities for advanced training and education should be provided to university teachers. It was also suggested that teachers should be asked about rewards through a survey about their thinking. Some suggested new ways by the HRM experts to reward university teachers are quoted below:

“.....Reward should commensurate to the performance, can be gagged through input of the students pass out, students’ employability and the reputation and standing of the department.” (Reflections from an old university)

“...They [university management] should conduct a survey and ask teachers what they want and what they don’t want? What benefits university can offer to retain them? ... On the basis of survey results, they can realize what employees are thinking and what can be offered to them..... They [university management] can offer some share in profit to self financing program that can be motivating factor” (Reflections from a new university)

Some HRM experts from old universities expressed their opinions on the critically analyzed the current practices and also suggested the ways to reward teachers:

“...Incentives are there but the question is that, are we willing to give up our traditional

practices. Unfortunately our teachers are too much involved in politics they don't have time for research. There is blame game. Incentives are there but important thing is, how we pursue them."

"Actually there are no ways to reward university teachers. We should have systematic teachers' evaluation. Teachers should also be accountable. Teachers who exhibit excellent teaching skills they should be rewarded by giving them the financial benefits, quick advancement in job, foreign training programs and facilities in terms of giving them cushions to relax from worries of their families. We don't have such things. We rely on annually written pieces of papers than performance throughout the year. The teachers' evaluation should not only be taken through students but also by peers. Every aspect should be evaluated e.g. their teaching, administration, results, overall conduct etc."

13. Triangulated Opinion

The HRM experts suggested that teachers should be given performance based financial rewards, this was also highlighted by the teachers when they opined that compensation and employee benefits motivate teachers to show good performance and productivity of the teachers increases by linking compensation to performance. Further, HoDs responses revealed that teachers of old universities were more commonly given monetary rewards as compared to most commonly received non monetary rewards by the new universities' teachers. So it can be concluded through this overall analysis that teachers of both old and new universities should be given performance based monetary rewards to increase their productivity.

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