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Research Article

Impact of Compensation and Benefits on Job Satisfaction

¹Calvin Mzwenhlanhla Mabaso and ²Bongani Innocent Dlamini

¹Department of Software Studies, Vaal University of Technology, Private Bag X021, 1900 Vanderbijlpark, South Africa

²Department of Human Resources Management, Durban University of Technology, 19 Aberfedly Road, 3209 Scottsville, South Africa

Abstract

Background and Objective: Human capital is the pivotal of organisational effectiveness and the most valuable asset available to an organisation is its people. Retaining employees in their jobs is crucial for any organisational productivity and competitiveness. The shortage of academic staff and inability for higher Education Institutions to attract and retain highly qualified talent is a critical phenomenon in tertiary education. Satisfaction of academic staff will increase productivity and increase research outputs for the universities. The aim of the study was to investigate the impact of compensation, benefits on job satisfaction among academic staff in higher education institutions in a South African context. There is paucity on research investigating specifically the relationship between compensation, benefits and job satisfaction within the higher education institutions nationally. **Materials and Methods:** This study employed the quantitative research method to investigate the influence of rewards on talent attraction and retention. An explanatory hypothesis generating approach was employed and a survey design was used to collect data through a semi-structured questionnaire. A sample of 279 academic staff, which was the total population of participants were selected for this study. **Results:** A positive and significant effect of compensation on job satisfaction ($p = 0.263$). Moreover, there were no significant effect between benefits and job satisfaction. Therefore, only compensation significantly predicted job satisfaction among academic staff. **Conclusion:** The practical managerial implications that are attracting and retaining the new generation of lecturers into higher education institutions will require substantially different skills and attractive employment offers than what the higher education institutions presently offer. Therefore, higher education institutions must improve their compensation strategy in order to boost employees' dedication that will enable commitment, while efficiently deliver outstanding results. This will improve research outputs and improve skills within the country.

Key words: Compensate, job satisfaction, employee, relationship

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Corresponding Author: Calvin Mzwenhlanhla Mabaso, Department of Software Studies, Vaal University of Technology, Private Bag X021, 1900 Vanderbijlpark, South Africa Tel: +2716 950 6895

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INTRODUCTION

In organization, employees are the key resources through which all the other objectives are achieved. Academic staff are the employees of the educational organizations and their job satisfaction promotes teaching and learning. Employees will demonstrate pleasurable positive attitudes when they are satisfied with their job¹. Thus, high job satisfaction will increase the productivity of an organization, in turn increasing the overall organizational performance. Compensation plays an important role in determining an employee's level of job satisfaction. Reward practices linked to job satisfaction have been applied differently by public and private enterprises. Higher education is influential in the development of a country, it does not only function as a provider of knowledge but as a pertinent sector for the nation's grown and societal well-being. The higher education institutions play a significant role in development of skills, increased economy, therefore, high quality of staff is required. Management at modern-day academic institutions requires special endeavours to acquire and retain highly skilled employees to operate effectively in an extremely competitive environment. Obviously, the level of job satisfaction of these individual employees will impact significantly on performance at these institutions. Compensation is a useful instrument in the hand of the management to contribute to the organisational effectiveness and can impact positively on the behaviour and productivity of employees². However, compensation determines the attraction and retention of employees to attain organisation objectives^{2,3}. Adeoye and Fields⁴ attested that compensation is a major factor in attracting and retaining staff. To attract, retain and be profitable, organisations need innovative reward systems that satisfy employees. Netswera *et al.*⁵ stated that unfavorable working conditions and unattractive remuneration packages have in most industries led to skills migration. Numerous researchers forecast that talent shortages are going to increase well into the next decade, which will limit the ability of organisations to expand and will jeopardize their chances of survival as global competition becomes more intense^{6,7}.

Compensation play a vital role in attracting, motivating and retaining talented employees. According to Ibrahim and Boerhaneoddin⁸, compensation encourage effective employees to remain in employment for longer periods of time. Additionally, Ibrahim and Boerhaneoddin⁸ suggested that generous rewards retain employees and ultimately lead to job satisfaction, commitment and loyalty. Evidence from

previous study seems to suggest that there is positive relationship between compensation and job satisfaction. Several studies have reported a positive relationship between compensation and job⁹⁻¹¹.

Salisu *et al.*¹² reported a significant positive correlation between compensation and job satisfaction and concluded the participants participating in their study regarded rewards as one of the main contributors to their job satisfaction. Nawab and Bhatti¹³ reported that employee rewards influence job satisfaction in higher education institutions. Nawab and Bhatti¹³ also revealed that compensation as part of employee rewards are gaining popularity day by day and higher education institutions should use compensation to satisfy and retain their highly qualified academic staff. In light of these studies, this study seeks to find the correlation between compensation, benefits and job satisfaction.

Research purpose and objectives: There is paucity on research investigating specifically the relationship between compensation, benefits and job satisfaction within the higher education institutions nationally. The main objective of the study was to determine the impact of compensation, benefits on job satisfaction among academic staff in higher education institutions in a South African context. World at Work Total Rewards model was used in this study and the following study questions were investigated:

- What is the relationship between compensation and job satisfaction?
- What is the relationship between benefits and job satisfaction?
- Does compensation and benefit impact on job satisfaction?

Compensation: Pay provided by an employer to its employees for services rendered (i.e., time, effort and skill). This includes both fixed and variable pay tied to performance levels¹⁴. Swanepoel *et al.*¹⁵ stated that compensation as financial and non-financial extrinsic rewards provided by an employer for the time, skills and efforts made available by the employee in fulfilling job requirements aimed at achieving organisational objectives. According to Absar *et al.*¹⁶, reported that employee compensation is one of the major functions of human resources management. Compensation is important for both employers and employees regarding attracting, retaining and motivating employees. Ray and Ray¹⁷ regarded compensation as important for employees since it is one of

the main reasons people work. Compensation includes claims on goods and services paid to an employee in the form of money or a form that is quickly and easily exchangeable into money at the discretion of the employer *et al.*¹⁸. Compensation or total compensation is "the total of all rewards provided to employees in return for their services"¹⁹.

Qasim *et al.*²⁰ stated that monetary rewards play major role in determining job satisfaction. Pay is one of the fundamental components of job satisfaction since it has a powerful effect in determining job satisfaction. The growing needs of people with high living costs force workers seeking higher income that can guarantee their future and life satisfaction. Moreover, if individuals believe they are not compensated well therefore a state of emotional dissatisfaction will be developed. These emotional discrepancies will grow and accumulate over time thus make employees unhappy and unsatisfied working for the organisation. Greenberg and Baron²¹ indicated that a perceived low salary leads to job dissatisfaction and a major contributor to employee turnover. Khan *et al.*²² posited that academic staff commitment can be enhanced and their degree of satisfaction could be improved by identifying the influence compensation.

Mangi *et al.*²³ revealed that compensation has optimistic relationship with job satisfaction. However, compensation is the major forecaster of job satisfaction. It is the amount of monetary compensation that is expected by workers in relationship with the services provided to the institutions²⁴. The study conducted by Noordin and Jusoff²⁵ and Mustapha²⁶ reported that salary have a significant effect on lecturers level of job satisfaction which is also aligned with a study by Yang *et al.*²⁷ stated that salary increase significantly improved the job satisfaction for Chinese junior military officers. Nawab and Bhatti¹³ reported that remuneration has an influence on employee job satisfaction, their study further revealed that remuneration has a strong significance influence on job satisfaction among academic employees. The study conducted by Mafini and Dlodlo²⁸, in higher education institutions in South Africa disclosed that there is a moderate positive relationship between pay/remuneration and job satisfaction. Furthermore, the study by Strydom²⁹ discovered that remuneration plays a major role in job satisfaction and dissatisfaction of faculty members in higher education institutions. Ismail and Abd Razak³⁰ findings concur that remuneration is considered one of the complex and multidimensional factors of job satisfaction in higher education institutions.

However, Sohail and Delin³¹ disclosed that remuneration has a moderate relationship with job satisfaction among academics in higher education institution. Al-Hinai and Bajracharya³² also reinforces these views who further stated that remuneration helps and supports individuals to meet the basic needs through pay and salary as explained in Maslow's law. Moreover, remuneration is considered to be one of the extrinsic factors (hygiene) as per Herzberg theory, in which leads to dissatisfaction if absent and does not achieve the satisfaction of an academic staff in higher education institution when it exist. Shoaib *et al.*³³ stated that attractive remuneration packages are one of the very important factors that affect job satisfaction.

Fringe benefits: World at Work¹⁴ stated that benefits include packages an employer practices to supplement the cash compensation that employees receive. It comprises of health, income protection, savings and retirement programs provide security for employees and their families. A specific set of organisational practices, policies and programmes, plus a philosophy that actively supports efforts to help employees achieve success at both work and home. Fringe benefits include any variety of programmes that provide paid time off, employee services and protection programmes. According to Bratton and Gold³⁴, fringe benefits refer to the part of the rewards package provided to an employee in addition to the guaranteed basic remuneration. An employee remuneration package includes guaranteed employment benefits such as retirement benefits, medical aid benefits, life and disability insurance, housing benefits, car allowance or cell phone allowance³⁵. Martocchio³⁶ elaborated that fringe benefits can also included prerequisite perks such as relocation payments, flexible start dates, sign-on bonuses, use of company-owned property, health club membership, tuition reimbursement, financial planning and clothing allowances. Artz³⁷ reported a significant positive estimates for variables as paid vacation and sick pay but no significance for any of the remaining benefits: Child care, pension, profit sharing, employer provided training/education and health insurance.

Asegid *et al.*³⁸ revealed that fringe benefits were a significant of overall job satisfaction. Conversely, Tella *et al.*³⁹ included the most of the fringe benefits in the study of employees of non-profit organisations and finds only two out of nine fringe benefits are positive and significantly related to job satisfaction and that one is negative and significant. In addition, the study by Artz³⁷ revealed that fringe benefits have a significant and positive relationship with job satisfaction.

Furthermore, Artz³⁷ revealed that fringe benefits make up a significant portion of employer compensation packages but their impact on worker job satisfaction has given much attention. Also Artz³⁷ attested that fringe benefits can affect job satisfaction in opposing ways. First of all, since fringe benefits are generally less taxed than wages, they can be purchased at less cost through an employer than if bought on the market. Second, fringe benefits are often desirable pieces of compensation packages and so increase job satisfaction. It is evident that compensation and fringe benefits have a significant relationship from organisational level, the literature is inaudible about higher education institutions. Therefore, the current study seeks to fill that gap.

Job satisfaction in higher education institutions: Employee job satisfaction has remained a remarkable area in the field of human resources management, psychology and organisational. It is necessary for management to look into the welfare and well-being of their employees. A happy employee is regarded as a more efficient and more productive employee. Employees join organisation with certain motives like job security, better prospects in future and satisfaction of both social and psychological needs. Mustapha²⁶ attested that job satisfaction of lecturers should be seriously considered by all higher education institutions to improve the quality of education thus producing outstanding graduates. Lecturers who are always stressful and dissatisfaction with their work will affect the performance and quality of work²⁶. Werner⁴⁰ noted that job satisfaction is the most widely research area of work-related attitudes. It is a personal appraisal of the job and psychological experience at work. It is a measure of the general attitude to work of a specific individual rather than group of workers. Onukwube⁴¹ stated that job satisfaction is the sense of well-being, good feeling and positive mental state that emerge in an incumbent when obtained reward consequent upon his performance is congruent to equitable rewards. Factors such as working conditions, below competitive salary, lack of promotional opportunities and lack of recognition are some of the contributing factors to employee dissatisfaction. Job satisfaction of academic staff in higher education institutions is importance because it influences their motivation and performance that are very influential in delivering quality education services. Achieving organisational goals and objectives depends on the managers' ability to influence employees' attitudes toward their jobs. Job satisfaction among academic staff is critical in higher education. Daft⁴² emphasised that managers of knowledge workers often have to rely on job satisfaction to keep both motivation and enthusiasm for the organisation at a high

level. There is less evidence available related to job satisfaction in higher education, this means that most of the literature review on these variables (job satisfaction and organisational commitment) is based on the business sector and public sector. Job satisfaction is a concept that has been studied broadly in the field of human resource management and organisational behaviour in the past and continues to be regarded as highly important^{43,44}. It is an important construct in organisations that cannot be ignored because of the relationship it has with several significant employee behaviours such as tardiness, low productivity, absenteeism, turnover, job performance, increased motivation, better productivity and organisational effectiveness^{45,46}.

In higher education sector, academics attitude of job satisfaction is important. Job satisfaction may contribute more than one can expect towards achieving universities' strategic goals. Job satisfaction can also contribute significantly in assisting the development and sustainability of higher education sector⁴⁷. Noordin and Jusoff²⁵ found that job satisfaction has significant impact on academics' excellent performance, high commitment and low turnover. Joshua⁴⁸ asserted that organisational researchers have attached a high level of importance to job satisfaction. Job satisfaction focuses on employee attitudes towards their job. The relationship between the organization and its members is influenced by what motivates them to work and the rewards and fulfilment they derive from it⁴⁹. Individuals enter organisations with a set of desired needs and expect the organisation to satisfy these needs. One of these expectations is job satisfaction. It is thus imperative for managers to take cognisance of the importance of ensuring that their employees are satisfied because a lack of job satisfaction can have dire consequences to an organisation⁵⁰.

Moderating effect of compensation and benefits on job satisfaction: Shoaib *et al.*³³ revealed that attractive and competitive remuneration packages still ranked as one of the very important factors that affect job satisfaction because it fulfils the financial and material desires. Salary, retirement benefits and job security have been shown to be important personal issues that affect the satisfaction of the faculty members in college and universities. While Rosser⁵¹ revealed that although much of the overall research on the faculty members suggested the salary is the most important aspect in work life and job satisfaction. Salary is one of the primary reasons why faculty members leave their institutions. According to Tetley⁵², dissatisfaction with salaries is one of the key factor undermining the satisfaction and commitment of

the academics to their institutions and careers and it is the factor that affect their stay in their jobs.

Munap *et al.*⁵³ also found that all organisational rewards examined have contributed to employee's satisfaction while salary is the predictor that significantly contributes to job satisfaction, among employees. Organisational rewards have a positive relationship with job satisfaction. Employees believe that their attachment to the organisation will provide meaningful rewards that satisfy their needs. Therefore, most of the employees trust that each of their job accomplishment will be rewarded and effort will be kept continued for better rewards⁵³. Rehman *et al.*⁵⁴ also reported that there is a positive relationship between rewards and job satisfaction. The study was conducted in the service industry, it found the rewards are stronger determinant of job satisfaction.

Ghafoor⁵⁵ study findings are consistent with the literature and suggested that there is a moderate, positive correlation between pay and job satisfaction. Pay is treated as an intrinsic hygiene factor of job satisfaction in Herzberg's model. As far as designations of academic staff were concerned, professors were more satisfied than lecturers with pay, due to receiving pecuniary and non-pecuniary benefits. Hamman-Fisher⁵⁶ revealed that there are statistically significant relationships between pay and job satisfaction, benefits and job satisfaction, contingent rewards and job satisfaction, nature of work and job satisfaction and for promotion and job satisfaction. The moderate to high correlations between these dimensions and job satisfaction suggest that the higher their relationship with job satisfaction, the more satisfied employees would be.

Several studies have reported a positive relationship between compensation and job satisfaction^{9,57-60}. Sharp⁶¹ found that despite the high proportion of participants who reported that they were very dissatisfied with their compensation, a low correlation was found between compensation and job satisfaction. A follow-up research examining this finding should be carried out was suggested. Letele-Mataboee⁶² revealed that to receive a competitive remuneration is more likely to provide job satisfaction.

Theodossiou and Vasileiou⁶³ reported that positive relationships between employees who feel secure in their jobs and their level of job satisfaction. In addition, evidence exists suggesting that lower levels of compensation lead to lower levels of satisfaction among employees. Similar results have been reported in the present study by Letele-Mataboee⁶² that job security and compensation has been found to have a significant influence on Job satisfaction. Mutjaba and Shuaib⁶⁴ asserted that for academic institutions to attract, retain and satisfy their talented employees, these institutions needs to

have appropriate pay systems that encourage and reward employees to remain longer with their institutions. The literature reviewed in the previous, assumed the existence of relations between rewards and job satisfaction factors amongst academics. Moreover, these assumptions suggested significant positive relationships between rewards and job satisfaction factors. Therefore, the following hypotheses within the present study have been formulated:

Hypothesis 1 (H₁): There is a positive relationship between compensation and job satisfaction.

Hypothesis 2 (H₂): There is a positive relationship between benefits and job satisfaction.

MATERIALS AND METHODS

Research approach: A quantitative research method and a survey design were deemed appropriate for examining the impact of compensation, benefits on job satisfaction. Quantitative research looks at numbers and statistical interpretation of the data gathered from questionnaires as opposed to looking at processes and meanings as in qualitative research⁶⁵. Quantitative research is concerned with the facts or responses of participants.

Research participants: A survey method was employed for the present study. The sample used in this study was made of 279 academics from two universities of technology in Free State and Gauteng province in South Africa. Probability sampling method was employed using systematic sampling method. This method was appropriate to recruit participants. Permission was requested from respected universities. The ethical guidelines of research permission to conduct the study was obtained from both institutions. The demographic characteristics of the respondents depicted in Table 1.

An analysis of the demographic profile of respondents (Table 1) reveals that approximately 50.5% (n = 102) of the respondents were female, whereas approximately 49.5% (n = 100) were male. After collapsing the respondents' ages, it emerged that the largest group of respondents (43.6%, n = 88) were aged between 30 and 45 years. Additionally, approximately 38.1% (n = 77) of the respondents were in possession of a Masters degree. In terms of racial group, African (68.8%, n = 139) were the highest number. With regard to the position occupied, the largest group of respondents (89.6%, n = 181) was lecturers, followed by senior lecturers (6.9%, n = 14), with associate professors (0.5%, n = 1) being the smallest number.

Table 1: Demographic profile of respondents (n = 205)

Variables	Categories	n	%
Gender	Male	100	49.5
	Female	102	50.5
Age	18-29	49	24.3
	30-45	88	43.6
	46-64	61	30.2
	65+	4	1.9
Race	African	139	68.8
	Indian	14	6.9
	White	41	20.3
	Coloured	8	4.0
Tenure	0-1 year	22	10.9
	1-4 years	50	24.8
	5-7 years	68	33.7
	7-15 years	62	30.7
Qualification	Honours degree	33	16.3
	Masters degree	77	38.1
	PhD	17	8.4
	B Tech	35	17.3
	M Tech	33	16.3
	D Tech	7	3.5
Rank	Lecturer	181	89.6
	Senior lecturer	14	6.9
	Associate professor	1	0.5
	Professor	2	1.0
	Head of Department	4	2.0

Source: Authors' compilation from survey data

Measuring instrument and ethical consideration: The method of data collection were the structured questionnaire, designed to elicit information from the participants⁶⁶. The Total Rewards Model adopted from World at Work⁶⁷ was used to formulate the questionnaire which was administered to the selected respondents. The questionnaire was developed using the Total Rewards Model with the aim of allowing employees to identify important specific total rewards, as well as to record their levels of satisfaction with the total rewards they are offered based on a 5 point Likert scale ranging from strongly disagree (1) to strongly agree (5). The total reward instrument used showed a Cronbach's alpha of 0.822. The Total Rewards Questionnaire comprises of the following components:

- Compensation
- Benefits

Job satisfaction survey was also administered to selected participants. The questions were presented in such a way that they would not elicit more than one answer. The questionnaire accompanied a letter explaining the ethical considerations involved, notably that participating in the study was a voluntary exercise and that the respondents could withdraw from the study at any point.

Data analysis: Data were analysed using Statistical Package for the Social Sciences (SPSS version 23.0). Initially, demographic data of the subjects, frequencies and the scores of the overall work-related factors as well as measures of central tendency were established. Internal consistency estimates were formulated using Cronbach's alpha coefficients. Following this, a series of multivariate statistical procedures included exploratory factor analysis, Pearson correlation analysis and linear regression were computed on all the variables. The required level of significance (p) was set at 1%. The appropriateness of the data for factor analysis of different scale measures was determined by applying the Kaiser-Meyer-Olkin (KMO) measure of sampling and Bartlett's test of sphericity to the inter item correlation matrix of the measurement instruments. The KMO measure determines the degree of inter-correlations between the variables⁶⁸. A KMO of 0.6 is considered acceptable for factor analysis.

RESULTS AND DISCUSSION

Table 2 shows that there is a positive and significant relationship between compensation and job satisfaction ($r = 0.263, p > 0.01$). Therefore, hypothesis is accepted. This means that compensation has a positive effect on job

satisfaction. However, there are other factors that also affect job satisfaction. Moreover, Table 2 reveals an inverse relationship between benefits and job satisfaction ($r = 0.015$), $p > 0.05$). Therefore, hypothesis is rejected. This means that benefits does not affect job satisfaction in a South Africa context.

Inferential statistics: The results of inferential statistics technique used in the study to test the hypothesis are presented. Multiple regression analysis was applied to see which factor impact job satisfaction.

Multiple regression analysis: Regression analysis aids in order to measure the relative strength of independent variable on dependent variable. All direct positive relationship between variables and job satisfaction were examined using multiple regression analysis to ascertain the extent to which they explain that the variance in job satisfaction.

According to Table 3, it is evident that coefficient of multiple correlation R which is the degree of association between compensation, benefits and job satisfaction is 0.526. There is also R^2 value of 0.069 and adjusted R of 0.60. The model summary revealed the proportion of the variation in job satisfaction is explained by compensation 69% and the remaining is explained by other variables. The F-statistic of

7.954 at 2 and 214 degree of freedom showed the explanatory variables (compensation) considered in this study can moderately explain the variation of dependent variable at 0.000 (99%) confidence level. Moreover, Table 3 depicts that when other variables not included in this study but have impact on dependent variable (job satisfaction). Benefits do not impact job satisfaction. Compensation is the strong predictor of job satisfaction with a standardized beta value of 0.261. Benefits was found to be non-significant at 99% ($p < 0.01$).

Research question 1: Compensation has a positive and significant effect on job satisfaction. This hypothesis was supported, therefore indicating that compensation influences job satisfaction among academic staff. Tabatabaei and Farazmehr⁶⁹ study revealed that there is a positive and significant relationship between compensation and job satisfaction among academic staff. Moreover, Machado-Taylor *et al.*⁷⁰ found that academics were most satisfied with the opportunity to use their own initiative, with relationships with their colleagues and with the actual work; they were least satisfied with promotion prospects and salary. Machado-Taylor *et al.*⁷¹ stated that dissatisfaction stems from inadequate and non-competitive salaries and further lack of job satisfaction due to non-monetary reasons. Mustapha²⁶ indicated that a remuneration system plays a significant role in determining an employee's level of job satisfaction in higher education institutions. This factor also involves the degree to which individuals are considering fair compensation they receive for their study, when compared to the earnings received by the other members of the organisation. Salary has a significant effect on the job satisfaction. Therefore,

Table 2: Correlations matrix

Correlation	Compensation	Benefits	Job satisfaction
Compensation	1		
Benefits	0.015	1	
Job satisfaction	0.263**	0.06	1

Correlation is significant at the 0.01 level (2-tailed)

Table 3: Model summary

Model	R	R ²	Adjusted R ²	Standard error of the estimate
1	0.526 ^a	0.69	0.60	0.969

ANOVA^b

Model 1	Sum of squares	df	Mean square	F-value	Significant
Regression	14.945	2	7.473	7.954	0.000 ^c
Residual	201.055	214	0.940		
Total	216.000	216			

Coefficients^d

Model 1	Unstandardized coefficients		Standardized coefficients beta	t-test	Significant
	B	Standard error			
Job satisfaction	1.860	0.066		0.000	1.000
Compensation	0.261	0.067	0.261	3.926	0.000
Benefits	0.011	0.067	0.011	0.160	0.873

^aPredictors: (Job satisfaction), compensation, benefits, ^bDependent variable: Job satisfaction, ^cPredictors: (Constant), compensation, benefits, ^dDependent variable: Job satisfaction, compensation, benefits

researchers notice that in Europe intrinsic factors such as job rank level, career are the predictors of higher job satisfaction among employees. On the other hand, in USA high-job satisfaction is influenced by the issues related to teaching. In private universities salary, promotion opportunities and working conditions have the highest impact on job satisfaction⁷². Toker⁷³ found the satisfaction with compensation, supervision, salary, fringe benefits are evaluated lowest by the academics. Moreover, Ombima⁷⁴ study cited that better pay and incentives as the key reasons for working for USIU. Most academics are satisfied with their jobs at United States International University. Findings for the economic factors affecting employee job satisfaction indicated that on average employees agree that their salary is paid on time, which makes them comfortable while at the same time they tend to agree that their salary does not match with the cost of living in the country⁷⁴.

Research question 2: Benefit a significant effect on job satisfaction. This hypothesis is rejected. This implies that in a South African context, fringe benefits does not have a correlation with job satisfaction and is not significant, which the research reveals. These results mirror the findings of Tezera⁷⁵ revealed an inverse relationship between benefit and employees job satisfaction in EIC ($r = -0.011$, $p > 0.05$). Noor⁴⁷ found that benefits insignificant correlations with job satisfaction ($r = -0.43$, $p \leq 0.01$) and with organisational commitment ($r = 0.36$, $p \leq 0.01$). These results are in line with the study of Mbundu⁷⁶, reported that fringe benefits were not correlated with job satisfaction. Moreover, Moloantoa⁷⁷ revealed that fringe benefits are not significantly related to job satisfaction among academic staff. The results of Moloantoa⁷⁷ further indicated that fringe benefits is not the predictor of job satisfaction.

Practical implications: Higher education institutions will gain an insight from the current study on how to improve factors that impact job satisfaction through compensation. The inverse relationship between benefits and job satisfaction cannot be overlooked. The results indicated a positive and significant relationship between compensation and job satisfaction. These results warrant caution to higher education institutions to pay much attention on compensation. There is an expectation from the employees that they will be adequately compensated for their efforts.

CONCLUSION AND FUTURE RECOMMENDATION

If higher education institutions aims to attract and retain their academic staff, a novel proper compensation

needs to be developed. It is imperative to understand the complex nature in the compensation, job satisfaction relationship and how to improve compensation in order to meet the needs of employees. Results of the present study can be used in order to design a rewards strategy while retaining employees.

Human resources and remuneration specialists at universities of technology need to design novel remuneration packages to attract and retain the best candidates and satisfy their employee's expectations, in that they are fair, equitable and free of bias. A remuneration package is one of the most important factors that influence people to take up employment and stay with organisations. Additionally, in order to attract and retain talent, it should be prepared to pay salaries that are equivalent or better than others in the labour market. Similarly, rewards should be on a par with industry norms. Proper sector research should be conducted regularly to determine what others are offering and adjust salaries accordingly.

Academic studies have its own limitations and the present study is no exception. It was conducted in two selected universities of technology among academic staff. The results cannot be generalised. The process of data collection was a very difficult and time-consuming exercise. An electronic method of data collection should be considered to reduce time and cost of travelling to different campuses, which would enable academic staff to complete online surveys.

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