

**TO ANALYSE THE IMPACT OF COMPENSATION ON WORKER
MOTIVATION: A CASE STUDY OF PRIVATE AND PUBLIC SECTOR
UNIVERSITIES**

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Abstract

This study investigates the relationship between compensation practices and employee motivation in better higher education institutions, comparing public and private sector institutes in Hyderabad and Jamshoro. The use of a qualitative method and quantitative methodology, data had been gathered from 199 college members through structured questionnaires. Findings reveal a significant effect of both financial and non-financial compensation on employee motivation. Public sector employees reported moderate satisfaction, at the same time as private sector employees showed comparatively higher contentment, especially concerning career development and overall performance-based rewards. The observe concludes with strategic recommendations for aligning reimbursement structures with motivational drivers.

Keywords: compensation, employee motivation, higher education, public sector, private sector, performance-based rewards.

Introduction

Compensation described as the financial and non-financial rewards offered to employees in return for their services, plays a pivotal role in shaping employee motivation and overall performance. In academic establishments, particularly institutes, the incentive of educational workforce is intently related to their compensation systems. This research explores how compensation effects

employee motivation in public and private sector higher education institutes, aiming to uncover the differences, similarities, and effectiveness of modern-day practices.

Literature Review

previous research confirms the crucial position compensation performs in worker retention, pride, and motivation. Aslam and Sarwar (2010) emphasize the supervisor's position in motivating educators in public universities. Bayissa and Zewdie (2011) have a look at dissatisfaction among faculty in Jimma university due to inadequate rewards. Fopanhunda (2012) highlights a disparity in pay among public and private universities in Nigeria, main to varied motivation levels.

Mwangi (2010) unearths that dependent compensation plans improve motivation in corporate environments. Osakwe (2014) identifies a lack of effective repayment as a demotivating factor for instructional workforce. Samy and Tat (2013) reveal a sturdy correlation between compensation, motivation, and job pride in Malaysian institutions. Wekesa and Nayaro (2013) file extensive dissatisfaction amongst Kenyan public faculty instructors concerning repayment.

Research Objectives

- To observe the relationship among compensation and employee motivation.
- to evaluate psychological stress because of salary dissatisfaction.
- To discover which compensation forms most efficiently capture employee attention.
- To evaluate job satisfaction levels among public and private sector employees.

Methodology

This exploratory study utilized a quantitative survey method. A structures questionnaire containing both closed and open-ended questions changed into

administered to 199 school contributors throughout selected public and private sector higher education institutes in Hyderabad and Jamshoro. Response rates various, with public sector institutions usually responding more actively than the private sectors.

Data Analysis and Results

5.1 Salary increment and motivation private sector respondents (44%) largely agreed that financial returns motivate them, at the same time as public sector respondents showed mild agreement (38%).

5.2 Salary satisfaction satisfaction with current salaries became higher within the private sector (50%) compared to the public sector (36%).

5.3 Retirement benefits private sector respondents had been extra satisfied with retirement plans, while a considerable part of public sector respondents (42%) expressed dissatisfaction.

5.4 Perks and Privileges each sectors acknowledged the motivational value of rewards and privileges, although private sector responses have been extra favorable (77%).

5.5 Gender discrimination in promotions around (27%) of private sector and (28%) of public sector respondents perceived gender bias in promotions.

5.6 Market competitive and compensation. Private sector employees reported greater standards with market standards than public sector employees (29% vs 16%).

5.7 Motivation and Quality Education A strong link among motivation and quality education become identified, especially in private sectors (72%).

5.8 performance based compensation private sector respondents (78%) overwhelmingly agreed that overall performance impacts compensations, as compared to (72%) inside the public sector.

5.9 career development support private sector institutions had been perceived as greater supportive of career development (67%) than public sector institutions (61%)

5.10 satisfactions of permanent and visiting faculty permanent employees showed higher satisfaction ranges than visiting team of workers throughout each sectors.

5.11 Promotion Policy satisfaction (66%) of private sector respondents were glad with promotion regulations, in contrary to only (39%) inside the public sector.

5.12 preferred compensation forms private sector employees favored performance-based incentives, while public sector employees preferred comprehensive packages.

Table 1 : Summary of Satisfaction with Key Compensation Elements

Compensation Element	Private Sector (Satisfied)	Public Sector (Satisfied)
Salary Satisfaction	50%	36%
Retirement Benefits Satisfaction	37.5%	26.5%
Rewards and Perks Motivation	77%	58%
Job Performance Linked Compensation	78%	72%
Career Goal Support from Institution	67%	61%

Table 1 shows that private sector employees are commonly more satisfied across all types of repayment. Retirement blessings, rewards, and performance-linked pay are substantially extra effective in motivating team of workers private institutions.

Table 2 : Institutional Practices and Environment

Indicator	Private Sector (Positive Response)	Public Sector (Positive Response)
Feedback Consideration	69%	54%
Motivation from Institutional Environment	79%	54%
Intention to Continue Job	81%	57%
Satisfaction with Promotion Policies	66%	39%

Table 2 highlights how private institutions provide a greater enticing and remarks-responsive surroundings, which contributes to better employee retention and satisfaction.

Discussion

This study underscores the nuanced role compensation performs in motivating educational employees. While salary and benefits are foundational, other elements together with popularity, career development, institutional guide, and a positive work environment additionally make a contribution considerably. private institutions normally provide a extra overall performance-oriented and supportive surroundings, which interprets into higher motivation levels among institutions.

Conclusion

The study concludes that compensation significantly influences motivation between academic staff. even as each public and private sector institutes have areas of strength, private sector institutes tend to be greater adaptive, responsive, and competitive in their compensation practices. For sustained development, public sector institutes have to reform regulations to align repayment with performance and employee expectations.

Recommendations

- Public universities need to adopt overall performance-connected compensation models.
- Everyday training must be supplied to enhance employee' capability to make use of institutional resources.
- Obvious and advantage-based merchandising guidelines have to be applied.
- Compensation packages need to encompass non-financial rewards to reinforce motivation.
- Institutions need to actively are seeking for and act on employee comments.

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