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**POPULAR BENEFITS IN A COMPENSATION PACKAGE:
A COMPARATIVE STUDY WITHIN THE CORPORATE SECTOR
AND TEACHING PROFESSION**

The purpose of this paper is to compare the compensation packages within the teaching profession and corporate sector. In total 125 respondents from teaching profession and 141 from the corporate sector were interviewed. Findings reveal that compensation package comprises 60% salary, 10% bonus and 30% – other benefits in both sectors. In the corporate sector, the most popular benefit is medical insurance for staff with higher contributions to EPF followed by medical benefits for dependents. Training and education has been found the least popular benefit in the same sector. In teaching profession, the most popular benefit is medical insurance for staff followed by training and development. The findings also show that the choice of popular benefits differs depending on marital status. The study also demonstrates a significant contrast in the value of education and development between the corporate sector personnel and teaching profession. This study attempts to provide insights to policy makers on the popular benefits for their staff in the respective sectors which is important to retain their employees.

Keywords: corporate sector; compensation package; teaching profession; medical insurance.

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**ПОПУЛЯРНІ СКЛАДОВІ КОМПЕНСАЦІЙНИХ ПАКЕТІВ:
ПОРІВНЯЛЬНЕ ДОСЛІДЖЕННЯ КОРПОРАТИВНОГО СЕКТОРУ
ТА ВИКЛАДАЦЬКОЇ ПРОФЕСІЇ**

У статті проведено порівняння компенсаційних пакетів викладачів та співробітників корпорацій. Опитано 125 педагогів та 141 представник корпоративного сектору. Результати дослідження показали, що середньостатистичний компенсаційний пакет складається з: 60% – заробітна плата, 10% – бонуси та 30% – інші складові. У корпоративному секторі найважливішим компонентом компенсаційного пакету є медичне страхування співробітника, на другому місці – медичне страхування членів родини співробітника. Найменш привабливим пунктом пакету стало навчання та тренінги. Для педагогів найважливішим пунктом пакету також є медичне страхування, друге місце у рейтингу зайняло навчання та тренінги, що свідчить про важливість підвищення кваліфікації для викладачів. Також продемонстровано, що переваги у складі компенсаційного пакету багато в чому визначаються сімейним статусом співробітника. Результати та висновки дослідження можуть бути корисними для керівників організацій при формуванні компенсаційних пакетів та при розробці стратегії заохочення та утримання персоналу.

Ключові слова: корпоративний сектор; компенсаційний пакет; викладацька професія; медичне страхування.

Табл. 2. Рис. 11. Літ. 17.

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**ПОПУЛЯРНЫЕ СОСТАВЛЯЮЩИЕ КОМПЕНСАЦИОННЫХ
ПАКЕТОВ: СРАВНИТЕЛЬНОЕ ИССЛЕДОВАНИЕ
КОРПОРАТИВНОГО СЕКТОРА И ПРЕПОДАВАТЕЛЬСКОЙ
ПРОФЕССИИ**

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В статье проведено сравнение компенсационных пакетов преподавателей и работников корпораций. Опрошено 125 педагогов и 141 представителей корпоративного сектора. Результаты исследования показали, что среднестатистический компенсационный пакет состоит на 60% из заработной платы, на 10% из бонусов и на 30% из других составляющих. В корпоративном секторе наиболее важным компонентом компенсационного пакета является медицинская страховка сотрудника, на втором месте – страховка для членов семьи сотрудника. Наименее популярным пунктом в пакете стало обучение и тренинги. Для педагогов наиболее значимым пунктом компенсационного пакета также стала страховка сотрудника, а обучение и тренинги заняли второе место в рейтинге, что свидетельствует о важности повышения квалификации для преподавателей. Также показано, что предпочтения в составляющих компенсационного пакета зависят от семейного статуса сотрудника. Результаты и выводы исследования могут быть полезны для руководителей организаций при формировании компенсационных пакетов и разработке стратегий по привлечению и удержанию персонала.

Ключевые слова: корпоративный сектор; компенсационный пакет; преподавательская профессия; медицинская страховка.

1. Background

Resources are the assets available and anticipated for operations, and they include people, equipment, facilities used to plan, implement, and evaluate the productivity of the organizations. The most profound resource in any organization is the human resource. Human resources can be defined as talented and engaged people in organizations that lead to organizational success (Hoque, 2011). "People are the assets on which competitive advantage is built, whether in the public or private sector, whether in the corporate world or in the world of education" (Permani, 2009). The genesis of human resources derives from political economy and economics where it was traditionally called labour, one of the 4 production factors in organizations contributing to the national development.

Human resources in different professions contribute to building a nation and with regard to this, teaching profession plays an eloquent and vital role in national development. Educators or with the conventional terminology, teachers work in the school system which is one of the substantial institutions in the society. Indeed, schools are the factories producing human resources for all other institutions in society, therefore in this respect teachers are "manufacturers". The role of school and the work of teachers in schools are implied in Ren's (2010) statements regarding education. He stated that education is for individual excellence, equity of society, government of free people, an economy of security and plenty, an enduring civilization as well as for the civilization of beauty and grandeur. Therefore, the significant role and relationship of teaching profession in national development is blatant.

Likewise, human resources in the corporate sector play an expressive and imperative role. The economy of a nation is developed through the input of the corporate sector, thus, people working in this sector is influential in national development as the productivity of national growth is very much related on the efficiency and capacity of the corporate sector (Coomber, Barribal, 2007). Therefore, it is apparent that both teaching profession as well as the corporate sector is momentous for the national development. For that vital reason, any nation must regard teachers and corporate sector staff equally.

However, governments across the globe seemed not to consider this fact as literature demonstrates they do not provide same treatment for both sectors. For example, teachers are underpaid in many countries (Psacharopoulos, Valenzuela, Arends, 1996). Primary teachers are not overpaid as compared to similar other jobs whereas the salary for secondary school teachers showed mixed evidence (Career Overview USA, 2011). In contrast, teachers are paid less as compared to other jobs as well as compared to workload in Australia (Brown, Schainker, 2008). And the scenario appears to get even more gloomy in South East Asia, as Asadullah (2006) states that in Bangladesh teachers are underpaid as compared to the professions that require similar educational qualifications.

Hence, even though mixed conclusions are evident in the literature with regard to the subject, the popular belief that teachers are paid less in terms of their workload, nature of work, and responsibility is still evident for many reasons.

Therefore, the purpose of this paper is to compare the salary package within the teaching profession and corporate sector.

2. Research questions

The research questions of this study are as follows:

1. What are the benefits in compensation package for the teaching profession and corporate sector?
2. What are the most popular benefits to teachers and employees of corporate sector?
3. Is there any difference in terms of popularity in their benefits?

3. Literature review

3.1. Compensation package. Employee compensation is the payment made to workers in exchange for their labor (Dessler, 2011). This payment usually takes the form of cash money that may also be combined with various nonmonetary benefits, such as health insurance or child care. Many businesses and organizations structure their employee compensation policies to attract, retain, and motivate their staff. Perhaps the best known and most accepted form of employee compensation is that of wages or salary, money paid directly to employees in consideration of their work (Bilal, 2012). Some employees are compensated based on the number of hours they work per week or receive a salary for which they are expected to discharge specific duties. Some companies pay their employees on the basis of performance. For example, an employee who works in sales may be compensated partly or entirely through commissions from sales. In other organizations, an employee may receive part of the compensation at the end of each year when the performance is evaluated, in the form of what is often called a year-end bonus.

A good compensation package is ideal (Khan and Mufti, 2012). This is because an organization can grow with a good compensation package. Hence, if employers offer good compensation packages, then the workers would happily perform their work and thus the productivity will increase. If compensation is believed to generate motivation in employees, employers must recognize the relationship between the performance and compensation. Moreover, any effective compensation or salary package should consist of both intrinsic compensation and extrinsic compensation which makes the total salary package.

Direct compensation which is also known as extrinsic compensation involves salary as well as the benefits an employee can enjoy while they are attached to a cer-

tain organization. Extrinsic compensation can be weighed and it is tangible. This is because it involves the money paid to an employee for the service he or she provides. Besides that, the amount given is weighed on the performance. For example, an employer would value the contribution of a certain employee throughout the year before finalizing the bonus for a year. Extrinsic compensation does motivate employees but to a certain extent only. This is because, there would be a maximum amount of salary that an employer can pay, and if an employee has reached that maximum amount, he or she would not get a raise anymore, thus the motivation level would decrease and the employee would even opt to leave the company to look for a higher paid job.

Indirect compensation, on the other hand, is intangible benefits that an employee can enjoy while he or she is attached to a certain organization. Indirect compensation includes allowances given by an employer to an employee in the form of benefits (Dessler, 2011).

Intrinsic compensation is a reward that employees receive from doing the job, and it reflects the employees' mental satisfaction with their job accomplishments. There is a common belief among HR administrators that intrinsic compensation retains employees in organizations (Rebore, 2009). Thus, intrinsic compensation is derived through the components such as participation in policy-making in the institution, discretion, responsibility, professional development.

Hence, extrinsic compensation is directly related to salary package, the literature of the paper studies this component. Therefore, the literature review attempted at gaining information from different countries across the globe in order to understand the subject of the paper. As a result, the paper has given utmost importance to studying the similarities and differences in the salary packages between teaching profession and staff working in the corporate sector. Table 1 depicts the national data of teaching profession and corporate sector salary in different countries.

Table 1. Salary range of teaching profession and professionals of corporate sector

Country	Teaching Profession	Corporate Sector
USA	Salary: \$102.93 - \$4,934 Bonus: \$102.93 - \$4,934 Total Pay: \$26,473 - \$63,243	Salary: \$27,293 - \$51,606 Bonus: \$99.84 - \$3,009 Total Pay: \$25,275 - \$51,076
SOUTH AFRICA	Salary: R58,109 - R230,917 Bonus: R1,497 - R17,662 Total Pay: R58,304 - R265,754	Salary: R27,013 - R501,451 Bonus: R11,074 - R89,396 Total Pay: R27,223 - R557,521
INDIA	Salary: Rs 58,958 - Rs 236,161 Bonus: Rs 244.68 - Rs 15,319 Total Pay: Rs 59,615 - Rs 238,711	Salary: Rs 98,577 - Rs 581,748 Bonus: Rs 4,913 - Rs 51,395 Total Pay: Rs 98,373 - Rs 578,121
MALAYSIA	Salary: RM 21,021 - RM 80,937 Bonus: RM 500 - RM 4,500 Total Pay: RM 23,792 - RM 80,937	Salary: RM 69,886 - RM 240,764 Bonus: RM 10,137 - RM 40,411 Total Pay: RM 85,020 - RM 295,659

Source: Compiled by the authors.

From the data collected and shown above, it is observed that teachers are paid less than other professionals. In South Africa and Malaysia, the number shows a big difference in the salary scale in these two sectors. However, in some countries, the average pay of a teacher exceeds the average pay in the corporate sector. For example,

in the USA, the total salary of a teacher is \$26,473 – \$63,243, while in the corporate sector, employees can earn \$25,275 – \$51,076. This shows that there are some countries where teachers are paid more in average.

Depending on the data available regarding the subject it cannot be concluded that in most countries the compensation package of a corporate sector employee is more attractive than that of a teacher. Thus, the paper explores this further.

4. Methodology

4.1. Research design. The research a the mixed method. There were interviews with HR managers of both sectors to find popular benefits. Based on these benefits a survey was conducted to find the popular benefits among the staffs of teaching profession and corporate sector.

4.2 Population and sampling. The research sample comprised 141 respondents from the corporate sector and 125 respondents from teaching profession with the total of 266. The samples were taken in a random manner; however, the sample is confined to a particular context as the teaching profession sample was selected from Malaysian teachers while the corporate sector sample is comprised of workers with same qualification working in different organizations in Kuala Lumpur, Malaysia. Yet, with the limitation of the research sample, it is believed that this study can generalize the findings as the sample consists of diverse demographic information.

4.3. Research instrument. A survey questionnaire was used for this study to compare the differences of perception existing in both sectors in relation to compensation package. The survey questionnaire was adapted from Michelle Buckley, "Checkup for Health Benefit Offerings," Compensation and Benefits Review, September/October 2000, p. 43. In addition, case studies as documentation were studied in this paper where salaries of 3 different staff of different levels from the corporate as well as teaching sectors were compared.

4.3.1. Instruments: reliability. It is essential to ensure the trustworthiness of the study in relation to the factors of validity and reliability. Reliability is the degree of consistency that an instrument or data collection procedure demonstrates, while validity is the quality of data collection procedure that enables it to measure what it is intended to measure (Hoque, 2011). Thus, using the main two types of research instruments with the rich literature on the topic, this paper is assuming the reliability and validity of the study.

Firstly, the paper presents the information on the research sample. The sample comprises 266 respondents, specifically it comprises 141 respondents of the corporate sector. These are staff from the local Malaysian private sector at non-executives, executives and manager levels. The other respondents are 125 teachers representing the public sector. All of them are with the educational qualifications of a bachelors' degree. Hence, there were exactly 16 more respondents in the corporate sector; however, it is assumed that this number will not have a great influence on the findings as the study explored different facets of the salary package in both sectors.

5. Findings and discussion

5.1. Respondents' demography. The table below demonstrates the sociodemographic characteristics of the sample.

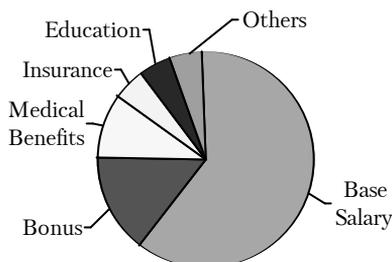
Table 2. Respondents' demography

Sociodemographic characteristics	Number	%
Sector		
Corporate Sector	141	53
Teachers	125	47
Designation		
Teachers	125	47
Non Executive	75	28
Executive	50	18
Managers	16	7
Marital Status		
Married	150	56
Single	116	44

Source: Compiled by the authors.

5.2. Benefits in compensation package. For this study there was an initial interview with senior HR managers of the two sectors to explore the nature of compensation. Here the compensation package looks at 4 main areas in line with the contemporary management practices: systematically administered and equitable salaries, reconciling employees' career aspirations in terms of earnings, aligning employees' personal objectives with those of the organization and keeping the costs under control.

The survey is based on 13 preferences which are Medical Benefit for Staff (MBS), Medical Benefit for Dependants (MBD), Medical Benefit for Parents (MBP), Annual Leave (AL), Maternity (MTN), Optical (OPTC), Annual Health Screening (AHS), Employee Assistance Programme (EAP), Training and Education (EDU), Additional EPF by Company, Travel (TRVL) and Gifts (mobile phones or electronics). The pie chart below illustrates the extrinsic components that makeup the total compensation framework for this organization: 60% salary, 10% bonus and 30% benefits.



Source: Authors' research.

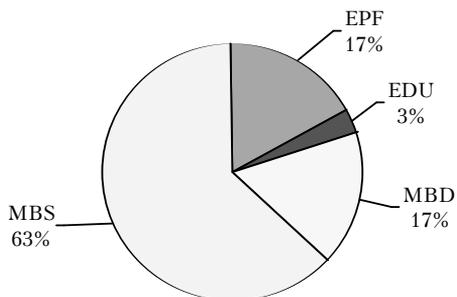
Figure 1. Components of the total compensation framework in a private organization

5.3. Popular benefit. Figure 1 illustrates that the most popular benefit is medical for staff with higher contributions to EPF and medical benefits for dependants coming second. The least popular benefit is training and education.

Figure 2 is the reflection of how teachers perceive benefits and illustrates the most popular benefit is medical for staff and training and development – 72% for teaching profession. This finding demonstrates that as teaching is a profession that needs further training and development since a teacher cannot base the career on the initial training or the pre-service training the teacher acquires is not sufficient for car-

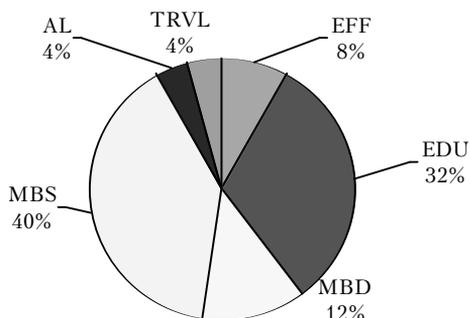
rying out the regular work of a teacher. Thus, this finding is in line with the literature on the subject as it is difficult to compensate a teacher with regard to productivity (Hoque, 2011). The productivity of the corporate sector can be measured in terms of income where as the productivity of a teacher cannot be measured using a single dimension such as the academic results of a school.

Figures 2, 3, 4, 5, 6, 8, and 9 are the depiction of popular benefits among the staff in the corporate sector and Figures 7, 10 and 11 show the popular benefits of teaching staff in education.



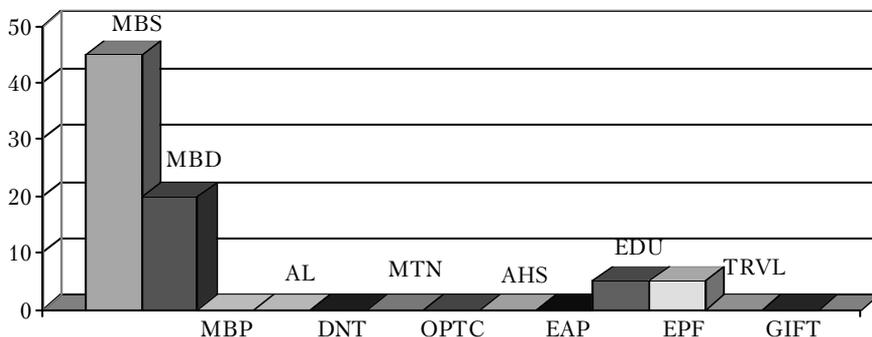
Source: Authors' research.

Figure 2. Compensation benefits report in a private sector



Source: Authors' research.

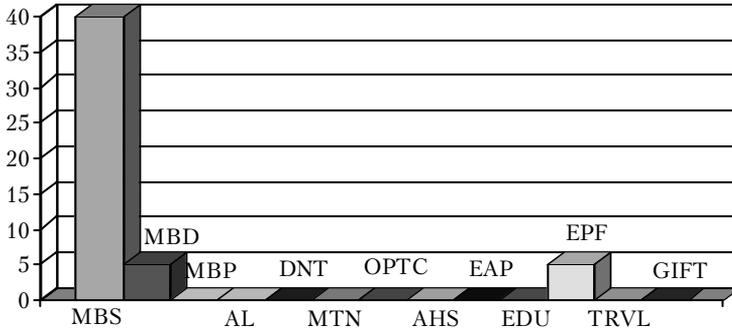
Figure 3. Compensation benefits of HRM



Source: Authors' research.

Figure 4. Benefits among non-executives in private organizations

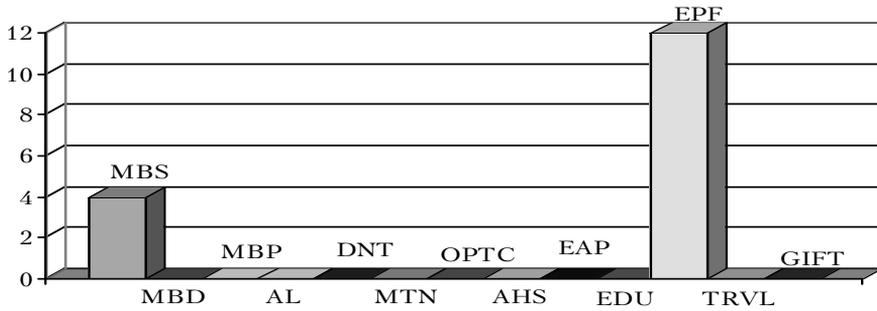
Figure 4 depicts the popular benefits among non-executives in private organizations. The popular benefit is Medical Benefit for Staff.



Source: Authors' research.

Figure 5. Benefits for executives in private organizations

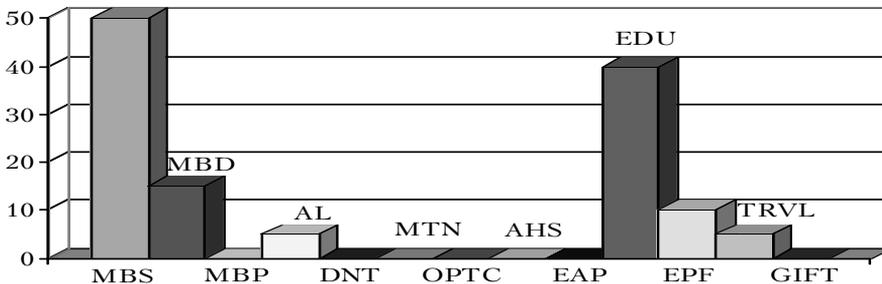
Figure 5 illustrates popular benefits for executives in private organizations. The popular benefit is also Medical Benefits for Staff. Contrast the chart below which indicates managers in this organization would prefer a higher contribution to EPF by a company.



Source: Authors' research.

Figure 6. Popular benefits among managers

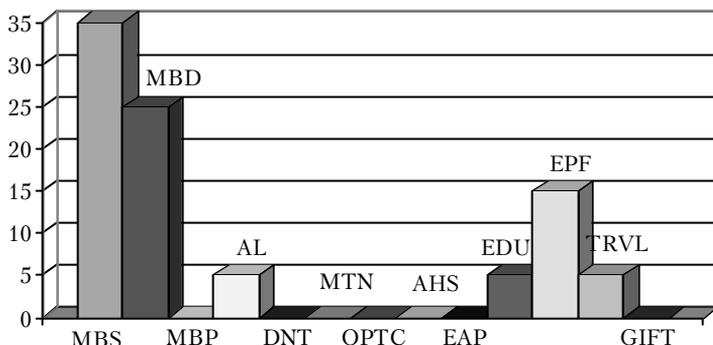
The highlight of this survey can be noted in Figure 7 which suggests that educationists not only prefer medical benefits but also appreciate the opportunity for learning and development.



Source: Authors' research.

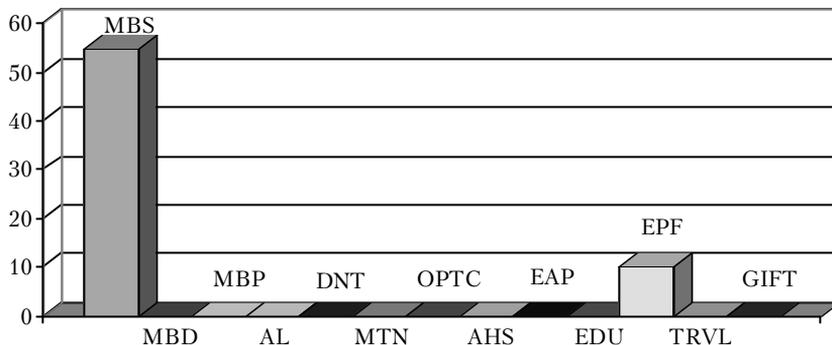
Figure 7. Popular benefits among teachers

Next, the study reflects on the popular benefits among staff based on their marital status. Figures 8 and 9 show a contrast between married and single in private organizations also noting the importance of Medical Benefits for Dependents.



Source: Authors' research.

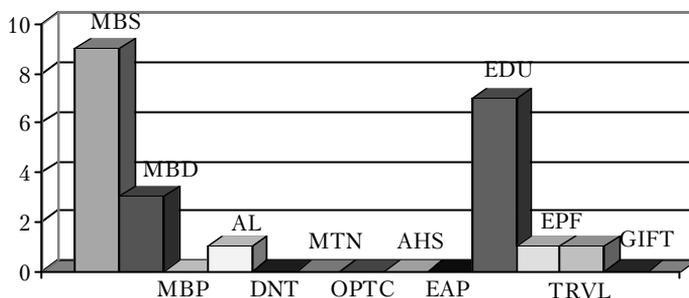
Figure 8. Popular benefits among married staff



Source: Authors' research.

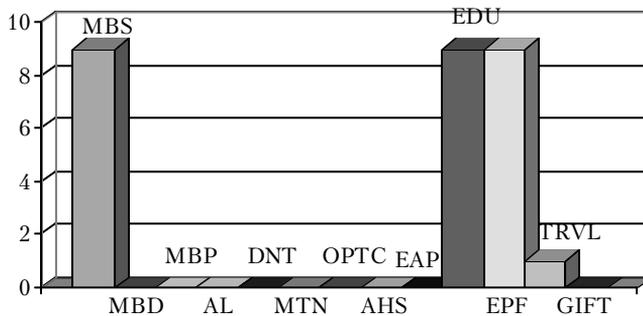
Figure 9. Popular benefits among single staff

Similarly for teachers, the study reflects on popular benefits among them based on the marital status. Figures 10 and 11 show a contrast between married and single teachers also noting the importance of Medical Benefits and Annual Leave in contrast of the value for more EPF contributions.



Source: Authors' research.

Figure 10. Popular benefits among married teachers



Source: Authors' research.

Figure 11. Popular benefits among single teachers

6. Summary of the findings

The study revealed a significant contrast in the value of education and development within the corporate sector and teaching profession. Besides, another important finding was that medical benefits for staff and dependants are important as most respondents are married. Thus, further study on why there is a different value of training and development in different sectors is needed. There should be a focus on improving the value of training and development in the private sector and how it augments the job also needs to be analyzed. This research has given a possible insight into the area that requires future planning as a competitive compensation package has its role in making a difference in employees' attracting and retaining in organizations as well as employees' productivity.

Therefore, governments aim should be retaining good and quality human resources in both sectors since both sectors contribute to building nations. Hence, with regard to teaching profession it appears to have an "unsatisfying factor" compared to all other sectors (professions) in relation to salary. This finding is in line with Khan and Mufti's (2012). Thus, governments should understand the positive correlation between quality teachers and students' performance. Therefore, through teacher salary packages and other incentives, teacher retention should be improved as human capital is considered as the most important asset in any organization (Chintrakarn, 2011). It is through the use of individuals' knowledge, skills, and abilities that organizations are able to achieve success and maintain a competitive advantage among similar companies. Knowledge, skills, abilities, and experiences are of economic value to all organizations. Once schools recruit teachers, they invest considerable amounts of hours, money and other resources on their ongoing professional development. With much at stake and in order to realize returns on these investments, it is reasonable to conclude that governments would want to retain those teachers that contribute favorably to the success of schools. Retaining employees plays an important role in ensuring that organizations realize a return on their investments (Asadullah, 2006; Cox, 2009).

7. Conclusion and suggestions

This paper investigated the popular salary package within the teaching profession and corporate sector. The subject of the study was critically evaluated in literature while the primary data were collected from the salary documents of both sectors as

well as through the survey conducted. As mentioned earlier in the paper, the study encompasses the mixed method design, therefore, the study was able to draw multiple data from the research sample.

Thus, the following conclusions can be drawn from the study. Despite the mixed results and findings from different researches, this study has aggregated the knowledge on the topic with the findings that there are differences in the salary package of teaching profession compared to the corporate sector. Moreover, in compensating the two sectors, discriminations are evident in teaching profession; as a result, teaching profession has negative impacts which are mirrored in the national development. The literature reveals that monetary incentives, even large ones are insufficient to recruit and retain good teachers in schools (Imazeki, 2005). There are other factors which please good quality teachers such as emotional and psychological factors which are intrinsic (Darling-Hammond, 2003).

Therefore, the study suggests minimizing the difference in salary packages so that the impact can be less. As teaching is different as compared to the corporate sector in terms of many factors such as productivity (Hanushek, 2007), it is sensible not to compare both sectors, rather each sector should acquire a decent return for their hard work through a salary package or by means of intrinsic compensation. Thus, the total compensation consisting of decent intrinsic and extrinsic awards must be provided by employers in order to maximize the productivity of organizations, and to attract as well as retain quality human resources. This in return would produce human capital for further national development.

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