

**TEACHING STAFF COMPENSATION PRACTICE AND ITS  
PROBLEMS IN GOVERNMENT SECONDARY SCHOOLS  
OF EASTERN ZONE OF TIGRAY.**

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## ACRONOMYS

<b>BA</b>	Bachelor of Art
<b>BEd</b>	Bachelor of Education
<b>BLS</b>	Bureau Labor Statistics
<b>BSc</b>	Bachelor of Science
<b>CLA</b>	Cost of Leaving Adjustment
<b>CPI-</b>	Consumer Price Index
<b>EGSECE</b>	Ethiopian General Secondary Education Certificate Examination
<b>HRM</b>	Human Resource Management
<b>MA</b>	Maters of Art
<b>MEd</b>	Master of Education
<b>MoE</b>	Ministry of Education
<b>MSc</b>	Master of Science
<b>REB</b>	Regional Education Bureau
<b>SHRM</b>	Strategic Human Resource Management
<b>TDP</b>	Teacher Development Program
<b>UNESCO</b>	United Nation Educational Scientific Culture Organization
<b>VP</b>	Vice Principal
<b>WEO</b>	Woreda Education Office

## ABSTRACT

*The main purpose of the study was to assess the teaching staff salary and benefit scheme of secondary schools of Eastern Zone of Tigray Region, to determine to what extent the system is market-driven and to investigate to what extent it is built on the goals of secondary schools of the zone. A descriptive survey research method was employed to conduct the study. Two hundred twenty two copies of questionnaires were distributed among randomly selected teachers and teachers' development program officials who were taken on availability sampling to gather both qualitative and quantitative data on their attitude towards the compensation package. Two hundred sixteen of them were returned. In addition teacher development program officials were also interviewed. The result empirical analysis provided was based on survey responses and results were displayed using tables. The results of the survey responses indicates that the pay system of the Ministry of Education is not or some what competitive with the local market and it does not enable the secondary schools to attract, recruit, motivate and retain quality teachers. It also reveals that the salary and benefits the teacher receives is unfair, inadequate and unsatisfactory resulting in turnover and working at level considerably below their capacity in secondary schools. The study also shows that communication about the salary and benefits are inexistent in the secondary schools. Without factual information about pay and benefit issues, it will be subject to speculation and misinterpretation and this may lead to reduced trust. Communicating teachers about pay and benefit issues are received to be the primary task for future organizational success. Finally, it is recommended for Ministry of Education, Regional Education Bureau, Woreda Education Office and the Secondary Schools to undertake a comprehensive teacher's compensation mechanism which represents a strategy for recruiting, attracting, retaining and supporting high quality teachers. In addition, the compensation system should be redesigned to enable the secondary schools to encourage and reward peak performance and the acquisition of new skills and knowledge.*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1 Background of the Study

People hold the key to more productive and efficient organizations by playing a central role in building an organizations' competitive advantage. Particularly in knowledge-based activities such as information software services, success increasingly depends on the knowledge, skills and abilities embedded in an organization's members (Sherman, 1998: 4). People join organizations with some expectations, i.e. compensation to satisfy their lives. Compensation in this context, can be any thing that attracts an employee's attention and stimulates him/er to work for result. The nature and type of compensation provided by organization's could be varied and many.

As Dessler (2009: 224-25) states employee compensation refers to all forms of pay or rewards going to employees and arising from their employment. It has two main components: direct financial payments (in the form of wages, salaries, incentives, commissions and bonuses) and indirect payments (in the form of financial benefits like employer-paid insurance and vacations).

Organizations need to continue to improve in their cost, in the quality of goods and services they offer, and in how quickly they can deliver products and services to customer (Schuster and Zingheim, 1992: X). In order to attain these needs, there should have a mechanism that makes employee satisfied and committed to their job in academic and action research through effective compensation system.

The design, implementation, and maintenance of compensation systems are important parts of strategic human resources management (SHRM). Decisions about salaries, incentives, benefits, and quality of life issues are important in attracting, retaining and motivating employees (Pynes, 2009: 251).

Therefore, the presence of organizational compensation system enables that employee satisfy their needs, could create and promote quality workforce as well as fulfill their inner needs. It is only inspired workforce that could lead to achieving organizational goals. For instance, In Hong Kong, base salary, merit pay, year-end bonus, annual leave, mortgage loan, and profit sharing were the most important factors to retain and motivate employees. In China, base salary, merit pay, year-end bonus, housing provision, cash allowance, overtime allowance, and individual bonus were the most important factors to retain and motivate employees (Chiu, 2002; Luk, 2002; Tang, 2002).

Reward and recognition programs can positively affect motivation, performance and interest within an organization. While a little more problematic, team-based incentives, if designed appropriately, can also encourage and support a range of motivation of human resources, organizational compensation system have become one of the areas in human resource management, which play pivotal role in creating and maintaining motivated and happy workforce required to meet organizational objectives.

Even though the fact that, in adequate compensation is one of the causes for teachers' turnover and declining the quality of education. If teachers are not well paid, they will not teach regularly and properly or leave the profession. Ethiopian academics are pooled not only internally, but also externally to Europe and North America (Demissu, 2008: 28; Dejene, 2000 and Kefyalew, 2001 ).

This may bring frequent exodus of teachers and place a strain on secondary schools through out the country. Therefore to solve this problem both governmental and public in this area must pay attention to number of factors that affect the motivation and performance of teachers because , insufficiencies and inconsistencies can lead to a brain drain from the teaching forces thus dwindling the education system of the country.

Teachers, who are key players in those teaching and learning processes, have all the aforementioned needs and aspirations that they want to fulfill. As the UNESCO, (1997: 37) 'recommendation' states that "academics should enjoy salaries, privileges and benefits commensurate with the great responsibility that the society bestowed on them." This teaching as a career creates opportunities for progress and promotion, offering considerable attention and concern for teachers is of an inescapable task.

Both the government and the public in this area need to address this pressing issue due to the fact that this task is basically run by the knowledge, skill and competencies of teaching staff. Therefore effective and workable institutional compensation system and its administration is extremely important in creating for governmental secondary schools to be successful and continue to play significant role in the nations human resource development undercover.

Hence, in order to retain efficient experience and skilled employees the organization has to make sure that there is a competitive compensation and benefit system. When compensation is perceived as adequate and equitable with their contribution to the organization goal achievement, employees are more likely motivated and satisfied. But when they perceive the compensation as inadequate and inequitable their level of performance, motivation and satisfaction may decline dramatically. In such case not only members of employees that left the organization, but also the amount of money wasted to recruit, train and develop new employees could increase.

Thus, this study will be conducted with the intention of assessing the perception of governmental secondary school members about the adequacy and equitability of compensation to performance. Moreover, intended to identify factors that affect the existing compensation policies, practices and there by to suggest feasible solution to solve the problem.

## **1.2 Statement of the Problem**

Since the advent of the educational policy in Ethiopia, a large number of governmental secondary schools have been established. These are currently providing educational services to the society at large and trying to feed the existing established and extent universities and colleges. In their efforts of attaining their institutional goals by providing quality education, the management of their human resources plays vary significant role. For such educational institution managing the human resource is the crucial factor for the kind of education the students receive is heavily dependent upon the quality of the performance of teachers who staff them.

Quality in this context is defined not only in terms of teachers' knowledge and skills but also in terms of their education to teaching activities. Equally important is that teachers' compensation plays greater role in creating and maintaining staff aimed at achieving the desired organizational objectives by attaining higher level of performance.

Mathis and Jackson, (1997: 374) stated that compensation is fundamentally about balancing human resources costs with the ability to attract and keep employees. By providing compensation, most employer attempt to provide fair remuneration for the knowledge, skills and abilities of their employees. In addition the compensation system should support organizational objectives and strategies.

However, compensation system is affected by various factors such as competitive labor market, cost of living collective bargaining comparable wages, government constraints and paying abilities of the organization.

In order to provide quality education for their students and to meet the expectation of parents and that the society in sustainable manner, it is mandatory to have competitive compensation and benefit system for its

employees, so that it will retain efficient professional and experienced staff. Even though the fact that, practices and reports have been showed that: the presence of turnover, absenteeism, feeling of grievance, and lodging of complaints were largely perceived in the teaching staff of government schools of the zone.

In addition, these evidences negatively affect not only the motivation and readiness of the teaching staff but also negatively affect the achievement of students at large. To accompany with evidence, as reports of the zone have been shown from 2007/2008-2009,/2010, about 7.6%, 9.2% and 12.3% of turnover is respectively observed and even the students' achievement of these three years of EGSECE is recorded 28.9,% 37.04%, 31.48%, in average consecutively.

Meanwhile, this study varies from other local studies by its setting, respondents and the employed method of the study. Therefore, this study begins with the assumption that the academic staff of the government secondary schools might not provided with required compensation compatible to their expectation and this in turn results in low level of motivation on the part of academic staff leading to have an adverse effect on the quality of education.

Consideration for and proper management of an organizational compensation systems that enable employees to satisfy their needs, create and promote quality work life as well as to fulfill their inner needs. Obviously, this leads to success of organizations in general and educational institution in particular depends on the adequate and equitable a compensation of the human resource.

Cognizant of the above fact, the study is set out to assess the academic staff compensation practice in government secondary schools of Eastern Zone of Tigray directed towards answering the following basic questions.

1. To what extent do teachers appreciate the amount of salary and benefits they receive?

2. Does the compensation system help in retaining qualified teachers of secondary schools?
3. To what extent does the design of compensation system affect the performance of teachers?
4. What are the measures taken to implement compensation practices in schools?

### **1.3 Objectives of the Study**

Compensation is understood as aspect of human resource management which aims at creating a system of rewards that is equitable to the employer and employee alike. So that the employees are attracted to the work and motivated to do a good job for the employer organization.

Hence, with this conception the general and specific objectives of the study will be as follows:

#### **1.3.1 General Objective**

To discuss the current compensation practice, its impact on the performance of academic staff and the overall goals of the governmental secondary schools of eastern zone of Tigray and finally to give recommendations that may improve the compensation system problems.

#### **1.3.2 Specific Objective**

- ✓ To assess how the compensation system is perceived by teachers.
- ✓ To assess the existing compensation policies and practices with respect to teachers performance.
- ✓ to identify various factors that affect the compensation practice
- ✓ To identify and recommend possible solution that could alleviate compensation problems.

### **1.4 Significance of the Study**

Previous research and practices shows the firm's success depends on its ability to attract and keep skilled trades employees. Lack of competitive compensation

and benefit system resulted in high turnover, absenteeism, feeling grievance and as a result could potentially hurt the organization's image for quality and integrity thus undermines its strategy.

In view of this, the analysis of the design and implementation of compensation and benefit system will help to identify the problem, difference, and finally give a solution to fill the gap. Generally the importance of the study is to give recommendation, which will be based on the findings of the study, so that it can help the state officials to have a good plan of compensation and benefit system to retain efficient and experienced academic staff.

### **1.5 Delimitation of the Study**

This study is confined to the government secondary schools of Eastern Zone of Tigray for it would be difficult to study nationally due to the anticipated limitedness of different resources to gather data. The research is also focused on the current practice of academic staff compensation, though there are many issues such as performance appraisal, training, supervision and others in the secondary schools that enhance the competence of academic staffs.

### **1.6 Limitation of the Study**

Any research requires adequate time, finance and materials to undertake successful study. Even though, the major limitations faced by the researcher were insufficiency of up-to-date literature in the study area and poor documentation especially about the benefits of the teaching staff during the course of the study.

### **1.7. Operational Definitions for Key Terms**

**Compensation:** refers to all forms of pay and fringe benefits such as medical, educational, transport and insurance that organization provides to teachers for being a member of the organization.

**Teaching staff:** means a member of the governmental school who devotes most of his in the teaching and learning process of the governmental schools.

### **1.8 Organization of the Study**

This research consists of five chapters. The first chapters deals with introduction, statement of the problem, objective of the study, significance of the study, delimitation, limitation of the study and definition of terms. The second chapter addresses the review of related literature to the topic. The third deals with research design and method, source of data, population, sampling techniques, data analysis and interpretation techniques.

Chapter four treats the characteristics of respondents' data analysis and interpretations of the data. Finally Summary, conclusions and recommendations forwarded on the basis of the analysis will be treated in the fifth chapter. Besides, bibliography, sample questionnaires and other relevant documents will be attached at the end of the chapter.

## **CHAPTER TWO**

### **2. REVIEW OF THE RELATED LITERATURE**

#### **2.1 Historical Background of Compensation**

It is believed that compensation has started from the very inception of civilization. As long as employers and employees have existed compensation has also existed (Maurer and others, 1995: 25, Reddy, 1991: 43). The industrial revolution, followed by the surfacing of different management theories has contributed a lot for the development or modern compensation management. The system is Frederick Taylor's scientific management, where he developed the concept of standard acceptable view of a fair day's work (Dessler, 1997: 471).

Rapid developments of corporations, labor unions and management hierarchies have also contributed in setting measure of standard for pay system. In addition the shortage of manpower created as a result of World War I and World War II had forced managers to devise different compensation mechanisms to attract and motivate workers (Maurer and others, 1995; Dessler, 1997: 471).

Global competition, corporate downsizing and new management schemes compelled compensation managers to be more adaptive to the changing needs of employees and employees compensation can not longer be managed from a limited approach. To day viewing compensation decision with other areas of human resource management is more likely to yield success (Milkovich and Boudreau; 1989: 535, Maurer and others, 1995: 252).

"Human Resource Management is responsible for how people are treated in organizations. It is responsible for bringing people into organization, helping them perform their work, compensating them for their labors, and solving problems that arise" (Cherrington, 1995: 5), compensation and benefit is one of human resource management function, which this paper dealt with. The compensation of people at work has become one of the most demanding problems facing management now a day every where, in any industry. "The

most serious issues for employers today in all industries in hiring and keeping qualified and capable employees according to Danald Marshak, senior analyst at the U.S Bureau of labor statistics (BLS) ( Pine, 2000: 113).

Compensation practices vary considerably a cross countries and with in the country. It is influenced by different factors namely cultural, competitive markets, collective bargaining and employee representation of the country. The value of the compensation is in the eye of the beholder. A compensation highly valued in one country may be relatively by meaningless in another and this is also hold true for different organization with in a country. The compensation employees receive for their work provides them with more than of other short and long term financial needs. It also affects their self image and the perception of their worth and stature among their peers in work family and social communities.

At organization level, employees' compensation affects their productivity and their tendency to stay with the organization. Therefore, if an organization's compensation and benefit programs are to be effective they must take factors affecting the program and at the end must also reflect the organization's strategy vision and mission.

### **2.1.1 Definitions of Compensation**

There is no single universal definition for compensation. Different authors have defined compensation in different terms. Some of the definitions given to compensation are as follows:

- Compensation is what employees receive in exchange for their work. Compensation includes all rewards (tangible and intangible) that an employee receives from his/her employers (Werther and Davis, 1993: 335).
- According to Milkovich and Boudere (1989: 541) also compensation includes financial returns and tangible services and benefits employees receive as a part of an employment relationship.

- Employee compensation is refers to all forms of pay or rewarding going to employee and arising from their employment. It has two main components. Direct financial payment and in the form of wage, salaries, incentives, bonuses, and commissions, and indirect payments in the form of financial benefits like employer paid insurance, paid vacation, sick leave, medical fee, school fee etc. (Dessler, 2009: 224-225).

### **2.1.2 Organizational Compensation System**

People often join organizations in order to secure rewards as a result of their active participation in the functions and objectives undertaken by the latter. Organizational reward system consists of the type of rewards, both extrinsic and intrinsic, that are received or benefited on accounts of members involvement in the activities of an organization (Byars and Puse, 1987: 290).

#### **Extrinsic and Intrinsic Rewards**

Motivational theories distinguish between extrinsic and intrinsic rewards. Extrinsic rewards come from sources that are outside of or external to, the individual, while intrinsic regards are largely a result of the worker's satisfaction with his job (Vecchio, 1988: 200).

The idea of extrinsic versus intrinsic rewards is widely treated in the works of Robbins. According to him (1989: 451), extrinsic rewards are received from the environment surrounding the context of the work. Most extrinsic rewards are directly controlled and distributed by the organization and are more tangible than intrinsic rewards. Pay, promotion, fringe benefits, preferred job assignments, and work environment are examples of extrinsic rewards that can be administered through the formal reward systems.

Intrinsic rewards are those that individuals receive for themselves. They are internal to the individual and are normally derived from involvement in certain tasks. Intrinsic can be viewed as the pleasure or value one receives from the

content of a work task. Job satisfaction, achievement, personal growth, and feelings of accomplishment are examples of intrinsic rewards.

Despite the differences outlined, extrinsic and intrinsic rewards are closely related. Often the provision of an extrinsic reward provides the recipient with intrinsic rewards. Some sources of rewards serve a dual purpose. Vecchio (1988: 120) has noted that rewards can be extrinsic or tangible in nature while having intrinsic or psychological value because of what they symbolize. Both a high salary and rapid career progress (extrinsic) may cultivate opportunities for feelings of accomplishment and achievement (intrinsic) on the part of the individual.

People who work because they find the work itself rewarding are intrinsically motivated. Those who work because they receive such rewards as pay, promotion, or fringe benefits are extrinsically motivated. Most researchers and practitioners agree that motivation a work setting can occur because of the availability of both intrinsic and extrinsic rewards, the value attached to them, and the quality of their distribution in the organization (Gordon, 1986: 122).

### **2.1.3 Objectives of the Compensation**

A compensation system is to create a system of rewards which is equitable to the employer and employee alike, so that employee is attracted to the work and motivated to do a good, job for the employer (Glueck , 1982: 450). Decenzo and Robins (1988: 361) discusses compensation management, being an important strategic area of academic institutions, will have an impact on employer's ability to attract applicants, return talented staff, and ensure optimal levels of performance form the staff in meeting the strategic objectives of the institution. They argue that educational institutions can bring success through satisfied and loyal staff.

According to Pathan (2002: 243 ) also suggests that, as criteria for effectiveness of compensation systems, pay should be enough to help and employees feel secure and aid him/her in satisfying basic needs. Compensation can be

adjusted according to the business needs, goals, and available resources of an organization. Generally, objectives serve as guides or directions to design a compensation system of an organization and also standards for judging the success of the pay system. The compensation by for the most important and contentions element in the employment relationship and it has an equal interest to the employer, employee and government

### **To Employees**

It is the primary and often the only source of income for them and status in the social system. Their income is a measure of their worth to themselves, their follow workers, their family and society. According to Heneman, (1989: 185) also, it is reward that a source of both economic and psychological income.

### **To Employers**

The amount of firms pays its employees in the form of wages, salaries and fringe benefits is quite important, as this cost factor interacts with total revenue to determine the firms financial success. According to the economic law of the wage share, the ratio of employee wages to total business income has remained practically constant at approximately 50% since the term of the century (Megginson, 1981: 393). As Heneman, (1989: 186) enhances, it is both a potentially powerful influence on employee's behaviors and attitudes and a (usually significant) cost.

### **To Government**

The government also has an interest in the compensation problem. First overt complaints of workers focus on their absolute and relative wage rates. Consequently, most strikes and grievances are over some aspects of wages. Second there is the ever present danger of inflation if wage rates increase faster than increases in employee productivity, unit labor costs go up, and the inevitable result is a wage price spiral (Megginson, 1981: 393).

In general, compensation system in organization is designed to achieve certain objectives such as: attracting and retain competent employees; influence the attitudes and behaviors of employees and enhancing the performance of the organization.

## **2.2 Compensation as a Motivator**

Compensation as a motivator is becoming a fiercely debating topic in the literature. As Lawler (1990: 25) states that some studies have found pay to be rated first in importance, while others have found it to be rated much lower, these difference seen to be accounted for by a variety of factors including how the research question is worded and the characteristics of the people who are asked.

In line with this Beach (1970: 654) enhanced Frederic Taylor and his followers viewed money motivation as paramount. Recent behavioral scientists have emphasized the needs of power achievement, and self actualization. Actually they concluded, there are many bases for motivation. At times none financial incentives are most important to the individual. At other times economic incentives are most important to the individual.

Nevertheless, there is no single answer to the question: "Does money motivate?" Instead it can be said that until employees satisfy their physiological and satisfy needs, monetary compensation does serve as a motivator. Above that level, money tends to decline in importance (Megginson, 1981: 424).

It is therefore in this era of materialism and display of wealth in the face of widespread poverty teachers need to be adequately motivated (salaries must be paid as at when due and teaching facilities made available) for an effective viable school system (Ofoegbu, 2004: 42).

Teachers have both intrinsic and extrinsic needs. Teachers who are intrinsically motivated can be observing to undertake a task for its own sake, for the satisfaction it provides or for the feeling of accomplishment and self

actualization. On the other hand an extrinsically motivated teacher may perform salary. Extrinsic motivation plays an important part in people's life. It is pre-eminent influencing a person's behavior (O'Neil, 1995: 56; as cited in Ofoegbu, 2004).

Thomas Li-Ping Tang (2002) in his article Compensation & Motivation described the effects of compensation over employee motivation. He stated that compensation has a profound effect over employee motivation. He also discussed several factors of compensation which include both intrinsic and extrinsic factors and their possible effects over motivation in detail. He also emphasized that monetary values are not the only motivators but non monetary factors have more importance towards motivating employees. In Hong Kong, base salary, merit pay, year-end bonus, annual leave, mortgage loan, and profit sharing were the most important factors to retain and motivate employees. In China, base salary, merit pay, year-end bonus, housing provision, cash allowance, overtime allowance, and individual bonus were the most important factors to retain and motivate employees (Chiu, 2002: 12; Luk, 2002; Tang, 2002).

Reward and recognition programs can positively affect motivation, performance and interest within an organization. While a little more problematic, team-based incentives, if designed appropriately, can also encourage and support a range of positive outcomes (Milne, 2007: 34). Promotion and wages positively influence employees' work motivation. A comparison of the relative strengths of the effects reveals that fair promotion was a more powerful motivator than wage level and wage increase.

### **2.3 Performance-Compensation Relationships**

The relationship of performance and reward is desirable not only at the organization level but also at the individual level. The underlying theory is that "people will be motivated when they believe that such motivation will lead to desired rewards". Unfortunately, many formal rewards provided by

organizations do not lend themselves to being related to performance. Some rewards (extrinsic) are almost always determined by organizational members and seniority rather than by performance (Byars and Rue, 1987: 292).

The content and the process theories of motivation suggest that money can have some influence on effort and persistence (Ivancevich, 1992: 332). In Maslow's need hierarchy, pay has the potential to satisfy each of the five needs. However according to Herzberg's two factor model, pay is a maintenance factor, expectancy theory would indicate that since pay satisfies a variety of needs. It has an attraction. Pay would be a good motivator if workers perceive that good performance is instrumental to obtaining it. Reinforcement theory would view pay as an environmental consequence that could be used to stimulate positive work behavior.

According to Pigors and Myers (1981: 356) when pay is tied to performance, money is an important motivator. When it is not so tied, it does not motivate and satisfaction is low, turn-over and/or absenteeism is high. In principle the more important pay is the more power it has to motivate behavior.

If relating rewards to performance is desirable, then why is it not more widespread? One answer is that it is not easy to do; it is much easier to "give every body the same thing" as evidenced by the ever popular "across the board pay increase." Relating performance to rewards requires that performance be accurately measured, and this is not often easy (Byars and Rue, 1987: 297).

Patricia and Barney (1997: 137), describes that although human resources are accepted to be organization's most important assets yet organization's decision often depicts contradiction with this belief. They further say that HR should not be neglected because they can bring competitive advantage to organization. Therefore they should be managed with equal importance with other functions of the business. (Huselid, 1995: 949) has emphasized on the fact that usage of high performance work practices i.e. comprehensive employee recruitment, Incentive compensation and performance management, extensive employee

training and involvement programs surely increase competence of employees, it increase their motivation and reduce turnover. This results in retention of quality employees and also is a useful way to eradicate poor performers from the organization.

Robbins (1989: 455) holds that rewards are likely to lead to higher employee performance and satisfaction when they are: perceived as being equitable by the employee; tied to performance, and tailored to the needs of the individual.

These conditions should foster minimum of dissatisfaction among employees and increase organizational commitment. If these conditions do not exist, the prevalence of marginal or bravely adequate performance increases. If workers perceive that their efforts are not rewarded or recognized, they may continue performing at a level considerably below their capability. Therefore, employees should perceive a strong relationship between their performance and the rewards they receive.

## **2.4 Forms of Compensation**

Pay may be received directly in the form of cash (e.g., wages, merit increase, incentives, cost of living adjustment) or indirectly through benefits and services (e.g. Pension, health insurance, time off) (Milkovich and Newman, 1987: 4).

*Base wage* is the basic compensation that an employer pay for the work performed. Base wage tends to reflect the value of work it self and generally ignores difference in contribution attributable to individual employees. A distinction is often made between salary and wage, with salary referring to pay for those workers who are exempt from regulations of the fair labor standards act, and hence do not receive over time pay. Managers and professionals usually fit this category.

*Merit pay* is often given as measurements to base pay. Merit programs are commonly designed to pay different amounts (often at different times) depending on the level of performance.

*Incentives* also tie pay directly to performance. Incentives may be long or short term, and can be tied to the performance by an individual employee, a team of employees, a total business unit, or some combination of individual, team and unit. Incentive and merit pay differ, while both may influence performance incentives do so by offering pay as an inducement. Merit, on the other hand is a reward that recognizes outstanding past performance.

*Employee services and benefits* are programs that include a wide array of alternative pay forms ranging from time away from work (vacation, jury duty), service (drug counseling, financial planning, and cafeteria support) and protection (medical care, life insurance, and pension).

## **2.5 Significant Factors Affecting Compensation Policy**

Though a considerable amount of guesswork and negotiation are involved in salary administration, certain factors have been extracted as having an important bearing upon the final dollar. Among these factors are the following: (1) supply and demand for employee skills, (2) the firm's ability to pay, (3) government, (4) labor organizations, (5) cost of living, and (6) comparable wages (Flippo, 1980: 250, Megginson, 1981: 401).

### **Supply and Demand**

Though the commodity approach to labor, is not completely correct, it is nevertheless true that a wage is a price for the services of a human being. The firm desires the services, and it must pay a price that will bring forth the supply, which is corrected by the individual worker or by a group of workers acting in concert. Under this factor it may exist the shortage or excess of supply. In the labor market, when there is a shortage of supply, salary and wage scales should necessarily increase. In abundance, the reverse may be true.

### **The Firm's Ability to Pay**

Regardless of other factors, wage rates are ultimately dependent on the employer's ability to pay. Wages constitute the most important cost items for most firms. This item, in turn, tends to establish the selling price of the product and this influences the firm's profitability. It has also been pointed out that employees tend to receive a relative fixed proportion of gross national product, of value added by manufacture, and of the company's sales. Therefore there must be review before there can be wages, moreover, there must be profit to the owners if the firms is to survive and wages continue.

### **Governmental Factors**

The government influences pay both directly through laws, regulations, and controls; and indirectly through its socio economic policies. For example, government indirectly affects compensation through fiscal and monetary policies and programs which directly affect consumer demand for goods and services, and subsequently the employer's requirements for employees.

### **Labor Organization**

Labor organization affects all the factors involved in determining the over all wage rate. When a union is involved: basic wages, fringe benefits, job differentials and individual differences to be determined by the relative strength of the organization and the union. According to Cascio (1986: 366), collective bargaining affects two factors: (1) the level of wages, and (2) the behavior of workers in relevant labor markets. In addition to this, to negotiate procedures for administrating pay decisions for resolving grievance regarding compensation decisions. And methods used to determine the relative worth job.

### **Cost of Living**

Cost of living is measured in terms of consumer's price index and affects the institutions compensation policy as it tries to adjust its employee's earning to the rate of inflation. As Megginson (1981: 403) described cost of living

adjustment of compensation constitutes no fundamental solution to equitable compensation of employees. It is useful as a stop gap device in times of inflation when labor is pressed to keep up with the rise in prices. It is an essential ingredient of long-term labor contracts unless provision is made to reopen the wage clause periodically.

### **Comparable Wage**

An employer's policies and practices will, voluntarily or involuntarily, tend to conform to wage pattern in the industry and in the community (Megginson, 1981: 409). For instance, in occupational rates, an organizations compensation package could be related to, and comparable for, the various occupations. This is particularly true for managerial and administrative personal, professional and technical workers, sales personnel, and to a certain extent clerical employees. It is also enhanced by Aswathappa (2002: 392) which is comparing wage and salary rates in a given educational institution may help in ensuring that it is offering a salary that is not substantially higher or lower than those paid by others in the same sector.

### **Salary**

According to Ammanuel (2000: 58) salary is one of the frequently mentioned factors contributing to job satisfaction, although complications emerge in actually measuring its individual role. Similarly, Seyfarth (2005: 241) described that money and praise are powerful motivators, and although most people say that money is not the most important motivator for them, salary increase or expansion of fringe benefits are nevertheless welcomed by almost every one. Money is valued not only for what it will buy but also as a symbol of success and approval.

Similarly, Molineux (2007: 67) stated, people obviously need an adequate income if they are satisfied with their jobs. Money not only enables them to support their families but also a sign of recognition and worth. It is usually not actual level of pay that account for job satisfaction; however, but relative levels.

People judge how well or poorly they are paid by comparison with their peers. If they are underpaid compared to their colleagues, they will probably be dissatisfied with their income matter what it is (Molineux, 2007: 69).

Maths and Jackson (2005: 189) also noted that pay and benefits must be competitive, which means they must be “close” to what other employers are providing and what individuals believe to be consistent with their capabilities, experience, and performance on the other hand. Tesfaye’s (2004: 54) study shows that in the presence of work environment variables, financial aspects of university teaching seem to play a less important role. As it turned out, instructors tend to give much importance to work place factors than monetary rewards when it comes to intending or not intending to leave. On the other hand, even though effective attachment is high, the temptation of greener pastures elsewhere in the midst for inadequate financial rewards is so compelling.

### **Inadequate Salary and Non Salary Benefits**

Findings funds for education in developing countries are the crucial and continuous problems. Teachers’ salary is the biggest recurrent cost from education budgets; for instance, in many countries it reaches 65-95 percent. Teachers are also representing the largest proportion salaried employees in public sector. While a few countries pay reasonable salary in relation to gross national product per capital, due to the presence of strong and well organized teachers’, however, most of developing countries paid minimum salaries for the teachers (Hallak, 1990: 159-160).

Many education sectors find themselves unable to attract and retain qualified teachers. Hence, they lowered qualification requirement but this situation makes teaching less attractive and create deterioration of quality education and moral of teachers. This in turn leads to higher turn over of teachers due to dissatisfaction (Hallak, 1990: 159-161).

Employees who are not satisfied with the salary and benefits are more likely leave than satisfied ones. According to Nelson and Thompson in Ellenburg

(1979: 394-400), the most frequently raised reasons for teachers leave their job were, salary and non salary benefits. Local research paper, also agree with this idea (Aklilu, 1967: 8, Motuma 2006, Tesfaye 1997; Temesgen 2005 and Befekadu 2001).

Most recent research in teacher recruitment and turnover in the past decade, pay emerge as one of the major determinants. For instance, the government of England will never able to say that, it has solved England's teachers shortage problem until it is prepared to invest billions in making pay and conditions as attractive as possible (Cockburm and Hayden, 2004: 18-20). Even though little is known exactly about the impact of salary, teachers who paid higher tend to stay in teaching longer than those who are paid lower (Shin, 1995: 432-433).

According to Aklilu (1967: 10), the weightiest and frequently mentioned reason teachers to leave, teaching profession in inadequate salary and non-salary benefits. Teachers' present salary and their hope to get regular salary increment and other promotions provided were insufficient and discouraging condition. According to Mutuma (2006: 97), in adequate salary and lack of salary increment such as low based salaries, limited non financial benefits, in consistent implementation of career structure lack of fair payment for work done to extra time and lack of compensation, such as bonus, fringe, incentives and, rewards, were the major causes of teachers' turnover in Oromia secondary schools.

### **Compensation Policies**

Policies are strongly influenced by an organization's objectives and its environment. Policies must deal with the following issues: (1) what the minimum and maximum of pay are (2) what the general relationships among levels of pay are (3) what the division of the total compensation dollar (i.e., what portion goes into base pay, into incentive programs, and in benefits).

In addition to the above issues, organizations must make decisions concerning how much money will go in to pay increases for the next year, who will recommend them and generally, how raises will be determined.

## **2.6 Designing Compensation System**

According to Filippo (1986: 438) organizations are concerned, employee compensation systems are designed to do three things: 1) to attract capable employees to the organization, 2) to motivate them towards superior performance, and 3) to retain the services over an extended period of time.

The design of any component of a compensation system requires sensitivity to an understanding of human perceptions, needs, and desires. By recognizing the essential contributions of them to the organization that makes the physical and psychological survival of all workers is the start of designing and managing a practical and useful compensation system. Compensation affects a person economically, sociologically, and psychologically. For this reason, mishandling the compensation-allocation process is likely to have a strong negative impact on employees and, ultimately, on the secondary schools performance.

As described by Gomez-Mejia (1995: 357), the wide variety of pay policies and procedures available to organizations presents managers with a two-pronged challenge: to design a compensation system that (1) enables the school to achieve its strategic objectives and (2) is molded to the school's characteristics and environment.

According to Milkovich and Newman (1987: 23), there are four policies which are the foundation on which pay systems are built. These policies also serve as guidelines for managing pay in ways that accomplish the system objectives.

**1. Internal consistency:** It is often called internal equity and refers to comparisons among jobs or skill levels inside a single organization. The focus is on comparing jobs and skills in terms of their relative contribution to the

organizations objective. It becomes a factor in determining the pay rates both for employees doing equal work and for those doing dissimilar work.

2. **External competitiveness:** It refers to how an employer positions its pay relative to what competitors are paying. How much do other employers pay accountants, and how much do we wish to pay accountants in comparison to what other employers would pay them? All employers make decision regarding the external competitiveness of their pay, and in doing so they have several policy options. Some employers may set their pay levels higher than their competition and another may after lower base pay according the situation.
3. **Employee contribution:** The policy one employee contribution refers to the relative emphasis on the performance and/or seniority of people doing the same job or skills. The degree of emphasis to be placed on performance and/or seniority is an important policy in the design and administration of pay since it may have a direct effect on employees' attitude and work behavior.
4. **Nature of administration:** Administration involves planning the elements of pay that should be included in the pay system (i.e., base pay, short term and long term incentives), evaluating how the pay system is operating, communicating with employees, and judging whether the system is achieving its objectives. Are we able to attract skilled workers? Can we keep them? Do our employees feel our system fair? Do employees have channels for raising questions and voicing complaints about their pay: such information's is necessary to true or redesign the system to adjust to changes, and to highlight potential areas for further investigation?

Keeping balance or giving relative emphasis among the four basic polices is a key decision to be made in any employers' compensation strategy and they are critical in the management pay systems.

evaluation) and external activities (market rates) (Armstrong, 1999: 259). The base rate can be regarded as the rate for a person who is fully capable of performing the given job. In a spot rate of structure, that is the fixed level of reward. But in addition to base pay, can be made to these rates which are contingent on factors other than the rate for the job. The factors may refer the individual's length of service in the job (Seniority), merit job status, and competence based.

**Base pay:** Base (or basic) pay is the level of pay (the fixed salary or wage) that constitutes the rate for the job. It may provide the platform for determining additional payments to performance, competence or skill. It may be expressed as annual, weekly or hourly rate (Armstorng, 1999: 3).

**Seniority Based Pay:** As described by Mcshame and Von Glinow, (2000: 96) in the same firm, a senior employee receive benefits than his or her junior employee. Advancement, pay raises, retirement benefits and perquisites depend on seniority of an employee. There are advantages and limitations associated with seniority rewards. Such a reward provision tends to reduce turnovers but may fail to motivate achievers to perform better.

**Merit System:** In merit system, pay increases a predetermined by job performance rather than seniority. The objective, of course, is to use pay to motivate high levels of performance by increasing the instrumentality perceptions for employees. To do this successfully requires a reasonably accurate performance appraisal system and some means of translating performance ratings in to pay increase (Heneman, 1989: 495). In this respect it is good elating best results immediately with desired behaviors, but it is impractical. Since the follow up is not continuous. Commonly it is done in half a year or a year of the performance.

**Job Status-Based:** Firms reward employees for the status of the job they are holding. Firms are job evaluation system which helps establish differentials in status of jobs. Status differentials are used as the basis for establishing salary

wage differentials. Jobs that require more skill and effort, have more responsibility and have difficult working conditions would have more value and consequently would be placed in higher pay grades (Aswathappa, 2002: 345). As stated by Mcshame and Von Glimow, (2000: 96) one advantage of status-based pay is that it helps maintain feelings of equity. Job evaluation systems try to maintain internal equity, that is, to ensure that employees feel their pay is fair when compared to how much other jobs in the firm are paid.

**Job Status-Based:** rewards are criticized by many. For one thing, such benefits fail to motivate achievers to perform better. Just because an employee holds a high priced job, he or she is rewarded better, not with standing the level of performance attained by the individual. Further, employees tend to exaggerate their job descriptions and job satisfactions to general higher grading for their job through job evaluation systems.

**Competency-Based Pay:** It can be defined as a method of rewarding people wholly or partly by reference to the level of competence they demonstrate in carrying out their roles. It is about the reflective use of competence to generate added value. Competence levels can not properly be measured simply by considering how people behave. They can only be assessed by considering the impact of people's behavior has on their performance at work (Armstrong, 1999: 293). As described by Harisson (2000: 353) where rewards are linked to competencies then what emerges is the skill based pay. In the skill based pay, employees are paid not cases of number of jobs they are capable of discharging, or on the depth of their knowledge.

### **Incentive Pay System**

The wages and salaries of employees are typically adjusted at some point during the year. When pay is adjusted upward it is usually based on four types of increase. a) a general across the board increase for employees; b) merit increase paid to employees based on some indicator of job performance, c) a cost of living adjustment (CLA) based on the consumer price index (CPI); and d) seniority (Ivancevich, 1989: 430).

### ***Individual Incentives***

Perhaps the oldest form of compensation is the individual incentive plan, in which the employee is paid for unit produced. To day the individual incentive plan takes several forms.

*Straight piece work* usually works like this. An employee is guaranteed an hourly rate (probably the minimum wage) for performing an expected minimum output (the standard). For production over the standard, the employer pays so much per pieced produced.

*Production bonus* systems pay an employee and hourly rate, then a bonus is paid when the employee exceeds slandered, typically 50 percent of labor savings.

*Commissions* are paid to sales employees. Straight commissions the equivalent of straight piece work and is typically a percentage of the piece of the item.

Incentive system may be designed to affect outputs other than performance. For incentive plans to work, they must be well designed and administered.

### ***Group Incentives***

Piece work, production bonuses, commissions, and other individual incentives can also be paid to group individuals. This might be done when it is difficult to measure the individual output, when cooperation is needed to complete a task or project, and when a management feels this is a more appropriate measure on which to base incentives. Group incentive plans also reduce administrative costs.

Group incentive plans are used les frequently than individual incentive plans. A problem that group may not work well together or less motivated members might decide to coast along on the work of others. There are a number of logical reasons why a group incentive plan is used. In some situations, job and work

output are so interstate that it is impossible to especially pinpoint individual performance. In this situation a group incentive could be used.

### **2.6.2 Job Evaluation**

Job evaluation is the formal process by which the relative worth of various jobs in the organization is determined for pay purpose. Essentially it attempts to relate the amount of the employee's pay to the extent that her or his job contributes to organizational effectiveness. According to Werther (1989: 285), Byars and Ruei (1994: 340) and Milkovich and Newman (1997: 109) commonly put as there are variations or combinations for four basic methods: job ranking, job classification, point and factor comparison.

**Job Ranking Method:** It is the simplest, oldest and least used job evaluation technique. In the job ranking method, the evaluator ranks jobs from the simplest to the most difficult. It only produces on ordering of jobs and does not indicate the relative degree of difference between them. According to Dessler (1991: 354), he stated some of its draw backs derive more from how it's used than the method itself. For example, there is a tendency to rely too heavily on "guess estimates". Similarly ranking provides no yardstick for measuring the value of one job relative to another.

**Job Classification:** A method that determines the relative worth of a job by comparing it to a predetermined scale f classes or grades of jobs. This method has the advantage for simplicity, but is not always precise because it evaluates the job as a whole. Most employers do this to avoid having to work with and price an unmanageable number of jobs; with the job classification method all jobs, of course are already grouped into several classes. The disadvantages are that it is difficult to write the class or grade descriptions, and considerable judgment is required in applying them.

**Point Method:** A method in which a quantities point scale is used to evaluate jobs on a factor-by-factor basis. As described by Dessler (1991: 354) it involves identifying (1) several compensable factors, each having several degrees, as well

as (2) the degree to which each of these factors is present in the job. When the point method has advantages of being relatively simple use and reasonably objective. This system requires 4 steps as Byars and Rue (1994: 345) confirmed to implement: selection of key jobs, selecting compensable factors, assigning weights to factors and assigning points to each job.

**Factor Comparisons Method:** It is similar to the point method except that involves a monetary scale instead of a point sale. As with the point method, key jobs are selected. It is absolutely essential that the rates of pay of key jobs are viewed as reasonable and fair to all those making evaluations. Compensable factors then are identified, just as with the point method, but the factor comparison method does not break down the compensable factors into sub-factors and degrees. Another difference between the two techniques involves the ranking of the compensable factors.

Deluca, (1993: 19) stated that there are three major difficulties with the point evaluation approach to job evaluation and they all center on the matrix developed. It is difficult to select relevant factors; assign appropriate point values, and define differences in the degrees themselves.

In general the point and factor comparison methods are commonly referred to as quantitative, while the job classification and ranking methods, called non quantitative techniques. The point system and the job classification system have common factors in that they evaluate jobs against predetermined scales of classes, whereas the factor comparison and job ranking methods evaluate jobs only in comparison to the other positions in the organization.

### **2.6.3 Wage and Salary Survey**

Wage and salary surveys provide much useful information that can help in determining compensation policies and practices. This information helps employers keep their pay rates and practices in line with others and prevents costly errors. As Milkovich and Newman (1987: 219) discussed an employer will

## **CHAPTER THREE**

### **THE RESEARCH DESIGN AND METHOD**

#### **3.1 The Method Employed**

This study is concerned with finding out the extent to which the practice of compensation play an active role in satisfying teachers and identifying problems encountered while implementing the compensation with help of descriptive research method.

A descriptive survey research method was employed in this study because it describes the present condition of compensation practice in the government secondary schools of Eastern zone of Tigray. Moreover, the method was particularly important for this study since it was intended to make detail description of and analysis on the practices and problems of compensation practice and its prospect. The relevance of the descriptive method for such purpose has been indicated by Seyoum and Ayalew (1986: 16). Further more, Best (2005: 177) describes that descriptive survey is an important type of research method that must not be confused with clerical routine of gathering and tabulating figures, as it involves defined problems and objectives.

#### **3.2 Sources of Data**

The data for the study was obtained from primary and secondary sources. Concerning primary sources, relevant data was collected from teachers, principals, vice principals and Woreda Education Teachers Development Program Officials. Primary data collection can be thought of as the means by which information is obtained from selected subjects of an investigation (Francis, 1998:4). Regarding secondary data source (relevant book, journals and legal documents were consulted). Moreover, reports and documents in government secondary schools such as list of academics staffs were reviewed to obtain pertinent data.

### **3.3 Sample Size and Sampling Technique**

The government secondary schools of eastern zone of Tigray were found in all of the nine Woreda. Out of the nine Woredas 5(55.5%) were selected for this study on the basis of stratified sampling technique. This technique was applied in order to be able to include the urban and semi urban Woredas in the sample. The Woredas with more than one government secondary schools were taken into consideration. So that number and representative ness of the schools found in the Woreda were also considered.

There are 19 governmental secondary schools in the zone of which 10 secondary schools were found in the five samples Woreda. Among these 5(50%) secondary schools one form each Woreda were selected as sample on the basis of purposive sampling technique.

The logical reason for using this sampling technique is that it enabled the researcher: (1) to include schools that have been served greater than 4 years for the sake of considering students achievement of consecutive three years results of EGSECE; and (2) to take into account the participation of urban and semi urban schools.

In the five sample Woredas: five TDP officials, ten vice-principals and principals (who were responsible for TDP in the secondary schools), and 207 teachers were involved in completing the questionnaires. The selection of Woreda teachers development program, vice principal and principals of schools were made on availability sampling techniques. The primary consideration in availability sampling was the judgment of the researcher as to who can provide in the best information to achieve the objective of the study.

The sample size for teacher respondents for each school was selected using simple random sampling because simple random sampling was used up on the idea that each person or unit selected should have a completely random chance of being selected. The rational behind random sampling is that the

characteristics of the good random sampling should mirror the characteristics of the population on a whole [Miller and Brewer, 2003: 370].

### **3.4 Data Gathering Tools**

Questionnaires consisting of closed and open ended items, semi-structured interview and document analysis were used to gather relevant information for the study.

#### **Questionnaire**

Questionnaire has a high amount of data standardization. It provides a relatively simple and straight forward approach to the study of value, attitudes, beliefs and motives and adapted to collect generalizable information from almost any human population, (Robson, 2002: 79). The questionnaire is administered to collect data from teachers, vice principals, principals and Woreda teacher development program. This is because of questionnaire does not only secure information about opinion and view but also serves as an appropriate instrument to obtain variety of opinions relatively with in short period of time.

#### **Interview**

An interview was used to obtain additional information from vice principals, principals and Woreda TDP officials of each school and Woreda education office. The presence of the interview encouraged participation and involvement, more over the interviewer clarified questions. Furthermore, it is flexible and adaptable way of finding things out (Robson, 2002: 73), Udinsky further describes that interview allows insight into true feeling of the interview through glimpses of his gestures, tone of voice, etc.

#### **Documents**

This instrument was employed to secure the necessary information about compensation practice of academic staff. Documents can provide valuable validation of other measures, either in support of disconfirmation of them. Further they encourage ingenuity and creativity to the part of the enquirer (Robson, 2002: 88).

The data gathering tools was checked by colleagues' professionals of the area and the advisor of this thesis. Hence essential corrections were made to maximize the validity of the instruments.

### **3.5 Procedures of Data Collection and Administration**

The following procedures were taken in to account to deal with study of compensation system of teaching staff in secondary schools of Eastern Zone of Tigray Region. First, the research proposal was developed and the basic questions were prepared. Second, relative literature was assessed to get acquaintance with the issue under consideration. Third, Questionnaire and interview were developed and used for data collection instrument. As most of the respondents are expected to have good knowledge of Tigrigna, the questionnaires were being prepared in Tigrigna.

In administering the questionnaire, the researcher went to the sample schools and contacted the principals and other voluntary assistants, one from each sample school. So that, they were helped him in distributing and collecting the questionnaires. The assistants were of course given clear orientation and instruction of how to do the job. The questionnaires were distributed at the convenient time of the respondents, to increase the rate of return and to maximize the quality of response.

Moreover, the interview was used to cross check the information which was collected by the questionnaire and by far to enhance the study. Meanwhile, the researcher organized the setting as to where the interview to take part without threatening but having please and debate in elaboration with the institute administration. Attempt was being made in order not to be interrupting an interview and not to show any symptoms of surprise, administration of emotion but maintaining neutral attitude.

Researcher has to negotiate freely with the information before, during and after the investigation process. This enables the researcher to secure the whole data gathering process efficiently. The informants' should feel secured in the investigation process. To confirm the validity of information, the informants were handed the questionnaire and interview short note copies.

## **CHAPTER FOUR**

### **4. DATA PRESENTATION, INTERPRETATION AND ANALYSIS**

Presentation and analysis of data gathered from respondents of the targeted secondary schools and Woreda education offices were included in this chapter. As has been indicated in the research design and source of data section, questionnaires have been designed and distributed to the permanent members of the teachers, vice principals and principals of the secondary schools and Woreda TDP officials of eastern zone of Tigray. In this regard, two hundred seven (207) of the questionnaires were distributed to the secondary school teachers who were selected randomly from the five Woreda secondary schools and fifteen (15) to Teachers Development Program Officials (vice principal, principal and Woreda education officer).

Mean while, 201 (97.10%) of 207 and 15 (100%) of 15 questionnaires were filled and collected out of the total distribution and this percentage was considered by the researcher as “good” and “valid” for all conclusions.

The data presentation and analysis were in the following sequence. The profile of respondents was followed by the respondents’ opinion on the status of different items of compensation systems that were taken from the review of literature. Finally the respondents rating of the major problems and practices of organizational compensation systems were presented:

#### **4.1 Background of the Respondents**

The objective of presenting the background of the respondents is to show their profile with special reference to sex, age, qualification, career level, years of service marital status, number of children and monthly salary.

**Table 1: Respondents by Sex, Age and Years of Services**

N/S	Item	Variables	Respondents						
			Teacher		TDP				
					VP	P	WEO	T0tal	%
			No	%	No	No	No		
1	Sex	Male	183	91.05	3	5	5	13	86.67
		Female	18	8.05	2	-	-	2	13.33
2	Age	21-25	61	30.35	-	-	-	-	-
		26-30	75	37.31	-	-	-	-	-
		31-35	25	12.44	3	2	1	6	40
		36-40	20	9.95	1	1	2	4	26.67
		41-45	13	6.47	-	1	2	3	20
		46 and above	7	3.48	1	1	-	2	13.33
3	Service in years	1-5	136	67.66	-	-	-	-	-
		6-10	25	12.44	-	-	-	-	-
		11-15	8	3.98	3	4	2	9	60
		16-20	20	9.95	-	-	3	3	20
		21 and above	12	5.97	2	1	-	3	20

N.B : TDP = Teacher Development Program, VP = Vice Principal, P = Principal, And WEO = Woreda Education Officials,

The data set out in the above table indicates that out of the total respondents, only 8.05 % of teachers and 13.33 % of TDP were females. This implies less proportion of female teachers and TDP officials in the sampled Woredas. About 67.66 % of teacher respondents were below the age of 30 and this shows the greater proportion of young members of the respondents in the secondary schools under consideration. On the other hand, all of the TDP were greater than the age of 30, and this indicates the TDP officials and principals were aged enough for the job.

Concerning service in years, most of teachers were found in between 1-5 years and this showed a scarce of experienced teachers who can serve as a mentor in the schools especially to facilitate the Teacher Development Program. However, all TDP respondents were rich in their service in years which was more than 11 years.

**Table2: Respondents by Qualification, Career Level and Monthly Salary**

N / S	Item	Variables	Respondents						
			Teacher		TDP				
			No	%	VP	P	WEO	Total	%
1	Qualification	Diploma	4	1.99	-	-	1	1	6.67
		Degree	197	98.01	5	5	4	14	93.33
		MA/MSc/MEd	-	-	-	-	-	-	-
2	Career level	Beginner teacher/ principal	44	21.89	3	2	-	-	33.33
		Junior teachers	92	45.77	-	-	-	-	-
		Teacher/ principal	17	8.46	2	3	-	-	33.33
		Senior teacher	12	5.97	-	-	-	-	-
		Senior lead teacher	10	4.98	-	-	-	-	-
		Lead teacher	26	12.94	-	-	-	-	-
3	Monthly gross salary	Below 1000	-	-	-	-	-	-	-
		1001-1500	134	66.67	2	-	-	2	13.33
		1501-2000	35	17.41	1	-	3	4	26.67
		2000 and above	32	15.92	2	5	2	9	40

N.B : TDP = Teacher Development Program, VP = Vice Principal, P = Principal, And WEO = Woreda Education Officials,

A look at the educational qualification mix of respondents, except 1.99 % of the academic staff and 6.67 % of the TDP with diploma the rest all have first degree, and here it can be said that the first cycle of the secondary school fulfills the necessary qualification according to the education and training policy that suggests, teachers ought to have a minimum of first degree to teach in the stated cycle.

Regarding career level, 67.66 % of teacher respondents were below the teacher level and this clearly indicates extensive employment of young graduates. On the other hand, 33.33 % of the principals were found in beginner principal and vice principal. The same percent of principals and vice principals also found in principal and vice principal level while 33.33 % of TDP the Woreda Education officials had not a career level like teachers and principals.

**Table 3: Respondents' Family status**

N / S	Item	Variables	Respondents						
			Teacher		TDP				
			No	%	VP	P	WEO	Total	%
					No	No	No		
1	Marital status	Single	91	45.27	2	1	-	3	20
		Married	98	48.76	3	3	5	11	73.33
		Divorced	10	4.98	-	1	-	1	6.67
		Widow	2	1.00	-	-	-	-	-
2	Number of children	No child	118	58.71	2	-	-	2	13.33
		One	29	14.43	-	1	2	3	20
		Two	26	12.94	1	1	2	4	26.67
		Three	11	5.47	2	3	1	6	40
		≥Four	17	8.46	-	-	-	-	-

N.B : TDP = Teacher Development Program, VP = Vice Principal, P = Principal,

And WEO = Woreda Education Officials,

In terms of marital status 48.76 % of the academic staff and 73 % of the TDP were married. In addition, 66.67 % of the teachers' monthly salary was found below 1500, whereas 66.67 % of the TDP were paid greater than 1500. This variation couldn't lead to compare them because their salary structure and and service in years were quite different. Moreover, 45.27 % of teachers and 20 % of the TDP respondents were not married. In line with this, more than half of the teacher respondents were with no child while most of the TDP respondents had from 1-3 children. From this, it could be conclude that most teacher respondents being youngsters were made them not to bear children.

#### 4.2 Compensation Systems

Part two of the questionnaire (see in the appendix) is the source of this part of the presentation and analysis. Respondents were asked to evaluate and rate the items listed pertaining to the problems and practice of compensation system. In doing so, respondents were instructed to put a tick in the appropriate column and express their opinion by indicating the status of a particular item which

could be correlated to one of the five stage rating scales strongly agree, agree, undecided, disagree, strongly disagree. Each scale has a corresponding value of 5,4,3,2, and 1. Item scores less than point of 3 is considered unsatisfactory while item-scores of grater than 3 are considered satisfactory.

In the following section of this data presentation and analysis part of the study, the responses given by the respondents are summarized. Finally, the respondents' rating of the major problems of the organizational compensation system in the respondents respective secondary schools and the respective analysis is given there of.

**Table 4: Adequacy of Monthly Salary to Cover Family’s Food and School Expenses**

N /s	Items	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	Feed themselves	Teache rs	3	1.4	35	1.4	18	8.9	62	30.8	83	41.2	2.0	2.19
		TDP	4	26.6	7	46.6	1	6.6	2	13.3	1	6.6	3.7	
2	Feed their family	Teache rs	-	-	3	1.4	16	7.9	35	17.4	147	73.1	1.3	1.42
		TDP	-	-	4	26.6	1	6.6	2	13.3	8	53.3	2.0	
3	Cover school expenses of their children	Teache rs	-	-	10	4.9	17	8.4	47	23.3	127	63.1	1.4	1.57
		TDP	-	-	2	13.3	2	13.3	4	26.6	7	46.6	0.1	

From Table 4 item 1, one can observe that 72.1 % of the teacher respondents have the opinion that the actual salary of their organization was inadequate to feed them. On the other side the other group, 73.3 % of TDP respondents replied that the salary was enough to feed teachers. The mean value showed 2.0 and 3.7 respectively and the weighted mean was 2.19. This actually indicates the two groups of respondents were varied in their opinion whether the actual salary adequate in feeding teachers. From this it could be concluded that they may vary in their opinion but it may be taken as an acceptable due to

the belongingness of the problems to teachers which is exposed to it and even the calculated weighted mean it.

As shown in Table 4 item 2, 80.5 % of the teacher and 66.6 % of the TDP respondents confirmed that let alone to feed their children, it was very difficult to feed properly one self with the actual salary. Besides, the mean indicates 1.38 and 2.07 respectively and the weighted mean becomes 1.42. The figures may lead to say that the actual salary does not enable them to match with the rising cost of living as they expected from the organization.

Furthermore, in covering the school expenses of their children, 86.5 % of the teacher and 73.3 % of the TDP respondents assured that they where poorly covered the school expenses of their children. The calculated weighted mean showed 1.57 that was found in very low level. From the view point of respondents one can conclude that the majority of teachers were dissatisfied with the existing inadequate salary to cover expenses.

**Table 5: Adequacy of Monthly Salary to Cover Medical and Transport Expenses**

N/s	Items	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1.	Cover medical service expenses of themselves	Teachers	-	-	3	1.5	24	12.3	51	25.3	116	57.7	1.56	1.58
		TDP	-	-	1	6.6	1	6.6	8	53.3	5	33.3	1.87	
2.	Cover medical service expenses of their family	Teachers	-	-	2	1	16	7.9	40	19.9	143	71.1	1.39	1.40
		TDP	-	-	1	6.6	1	6.6	5	33.3	8	53.3	1.67	
3.	Cover transport service expenses of themselves	Teachers	2	1	35	17.4	32	15.9	58	28.8	74	36.8	2.17	2.20
		TDP	-	-	4	26.6	3	20	5	33.3	3	20	2.53	
4.	Cover transport service expenses of their family	Teachers	-	-	11	5.4	23	11.4	39	19.4	128	63.6	1.59	1.62
		TDP	-	-	2	13.3	1	6.6	7	46.6	5	33.3	2	

Concerning the adequacy of monthly salary to cover the medical and transport service, 83 % and 65.6 % of teachers and TDP respondents respectively replied that they were not able to cover with the actual salary. The calculated mean showed 1.58 and 2.20 and these were below the average point three. This indicates teachers were suffered by such expenses for themselves and their dependent.

**Table 6: Adequacy of Monthly Income to Cover Housing Expenses**

N / s	Items	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	Pay house's rent monthly	Teac hers	5	2.4	43	21.3	20	9.9	58	28.8	75	37.3	2.23	2.25
		TDP	-	-	4	26.6	1	6.6	7	46.6	3	20	2.40	
2	The house allowance	Teac hers	-	-	10	4.	3	1.4	40	19.9	148	73.6	1.38	1.41
		TDP	-	-	2	13.3	2	13.3	3	20	8	53.3	1.87	

In Table 6 item 1, 66.1 % of the teachers and 66.6 % of the TDP respondents replied that their house’s rent was poorly covered with the actual salary. Even the calculated weighted mean showed 2.25 below the average point of three.

In addition to this, 93.5 % of the teachers and 73.3 % TDP respondents revealed that they did not get any house allowance from their organization. According to their response, the salary’s of teachers was not adequate to cover the house rents, besides; the organization by itself did not take in to account such problems to solve through house allowance payment. Thus, this might lead to teachers to be dissatisfied and to seek other job where they can get benefits.

Generally, the responses of teacher and TDP respondents that the actual salary is not enough to allow them to keep the standard of living and this makes them not to focus on their own professional work and not to ensure the quality of education in the secondary schools, rather they are compelled to find additional incomes to support them selves and their family or they may continue

performing at a level considerably below their capability until they get another options.

**Table 7. Respondents Attitude towards Internal, External Equity of their Salary and Adequacy of Increment Made**

N/s	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	External equity	Teachers	3	1.4	7	3.4	10	4.9	39	19.4	142	70.6	1.46	1.47
		TDP	-	-	-	-	1	6.6	7	46.6	7	46.6	1.60	
2	internal equity	Teachers	94	46.7	18	8.9	16	7.9	26	12.9	47	23.3	3.43	3.40
		TDP	2	13.3	6	40	3	20	1	6.6	1	6.6	3.07	
3	Adequacy of increment made	Teachers	2	1	3	1.4	34	16.9	58	28.8	104	51.7	1.71	1.74
		TDP	-	-	2	13.3	3	20	3	20	7	46.6	2	

The salary pattern in the organization and the community could have an impact on the compensation policies and practices of the organization. As discussed in Milkovich and Newman (1987), external competitiveness decision how much and what forms have two fold effect on the objectives of compensation system, i.e., to ensure that the pay rates are sufficient to attract and retain employees and to control labor costs so that the organizations price of service can remain competitive.

In this regard, respondents were asked to rate the competitiveness of their salaries with salaries paid in other occupations requiring similar or equivalent qualifications. Accordingly, as can be seen form Table 7 item 1, 93.2 % teachers and 93.2 %of TDP respondents disagreed that their salary are not comparable to payments made to other occupations that require similar qualification. The mean also shows 1.46 and 1.6 respectively which describes less than the average point of 3 and their weighted mean was 1.47. It revealed that unsatisfactory condition of the competitiveness of the organization with other occupations. This indicates that the salary pattern in other organization is affecting the academic compensation system of the Ministry of Education.

As indicated in Table 7 item 2, 55.73 % of teacher respondents and 53.33 % TDP respondents agreed that the salary pay system of the organization was internally equitable. However, about 36.32% of teachers and 13.3 of TDP respondents replied that there was no internal equity in the salary system of the organization and 12.94 % of the teachers and 20 % of the TDP respondents show no judgment at all. The mean which were (3.43 and 3.07) of the teacher and TDP respondents respectively shows greater than the average point of 3 as well as the weighted mean about 3.40. In this regard, the pay system of the organization is equally accommodated teachers.

According to Glueck (1982), compensation system is to create a system of rewards which is equitable to the employer and employee alike, so that employee is attracted to the work and motivated to do a good job for the employer. The displayed figure tells that the organization has almost achieved internal equity in the present inadequate compensation practices. This implies that even if the pay is not adequately satisfied the teachers, the pay decisions are fair and reasonable. Here it may create a sense of cooperation and team work among teachers.

Concerning Table 7 item 3, 80.60 % of teachers and 66.67 % of TDP respondents revealed that the current increment of the career structure was unsatisfactory. Besides the means indicated that 1.71 and 2.00 of the teacher and TDP respondents which were below the average point of 3. From this, it can be said that the increment provided to teachers is unfair and this may be the reason for not to be competitive with other occupations in the salary level.

As Milkovich and Newman (1987) states the degree of emphasis to be placed on performance and/or seniority is an important policy in the design and administration of pay. Since it may have a direct effect on employers' attitude and work behavior. In this way, the career is structured to initiate teachers and implement their teaching learning process on the basis of the performance

and seniority of teachers. However, it implies the career level negatively affects the teachers as well as the objectives of the organization, due to the less amount of increment on the structured career.

**Table 8. Adequacy of Pay to Motivate Teachers**

No	Description	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	The ability to enhance the performance of teaching staffs	Teachers	-	-	3	1.4	43	21.3	51	25.3	104	51.7	1.73	1.74
		TDP	-	-	2	13.3	3	20	1	6.6	9	60	1.87	
3	The ability to encourages peak performance	Teachers	19	9.4	35	17.4	48	23.8	52	25.8	47	23.3	2.64	2.73
		TDP	3	20	8	53.3	2	13.3	2	13.3			3.80	

Table 8 item 1 depicts as to what extent the compensation system enables the organization to enhance the performance of teachers. In line with this, 77.1 % of teacher respondents and 66.6 % of TDP respondents have the opinion that the present compensation scheme didn't enable the organization to enhance the performance of teachers. However, 1.49 % of teachers and 13.33 % of TDP respondents agreed on the compensation that enabled to enhance the performance of teachers, besides 21.3 % and 20 % of the respondents respectively show no judgment at all. The computed means 1.73 and 1.87 indicate below the average point. Since the present compensation system doesn't enable to enhance the performance of teachers.

Despite the fact that literature says pay is not an effective motivator. Invancevich (1992) states the content and the process theories of motivation suggest that money can have some influence on effort and persistence. In this regard the compensation system of the organization didn't enable to influence the efforts and persistence of the teachers; in addition it doesn't enhance and imitate the motivation of them. Therefore, it could be concluded that the

compensation system of the organization doesn't' have a strong tie with the performance and motivation of teachers.

In Table 8 item 2, shows that 49.2 % of the teacher respondent and 13.3 % of TDP respondents affirmed that the pay system of the organization doesn't encourage peak performances. On the other hand 26.8 % of teachers 63.3 % of TDP respondents agreed on the issue. The remaining 23.8 % of teachers and 13.3 % of TDP respondents were neither agree nor disagree. In this case, the mean of teachers' respondent is 2.6 that show below the average point of 3, where as the mean of TDP group is 3.80. That indicates greater than the average.

Here it is observed that a contradictory opinion between the two groups, but the confusion may be due to the rewarded staff members were very few in number (taking the top three) and this may lead them not to be considered as a reward by the teaching staff. As the interview held with the TDP respondents, the schools and even Woreda education offices allocates to reward peak performances of the teachers as well as the schools.

Even though, the TDP respondents established individual incentives system to reward peak performance, teachers explains that peak performances are not encouraged to continue as an exemplary employees rather discouraged by those who did not enable to win their own tasks.

Therefore, it could be concluded that there may be a reward for those who are peak performers, but as Robins (1989) stated that holds that rewards are likely to lead to higher employee performance and satisfaction when they are: perceived as being equitable by the employee, tied to performance, and tailored to the needs of he individual. These conditions may not applied and then dissatisfaction is observed on the employees.

**Table 9: Respondents Attitude towards the Operation of Teachers Performance Evaluation**

N /s	Items	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	consistency in conducting performance evaluation	Teachers	19	9.4	35	17.4	48	23.8	52	25.8	47	23.3	2.64	2.73
		TDP	3	20	8	53.3	2	13.3	2	13.3	-	-	3.80	
2	Provision of feed back	Teachers	5	2.4	30	14.9	46	22.8	56	27.8	64	31.8	2.16	2.25
		TDP	3	20	5	33.3	3	20	3	20	1	6.6	3.40	
3	Objectivity of performance evaluation	Teachers	10	5.1	26	13.2	35	17.8	52	26.1	73	36.3	2.22	2.23
		TDP	1	6.6	2	13.3	5	33.3	4	26.6	3	20	2.40	
4	Knowledge of performance evaluation's criteria	Teachers	37	19.2	88	45.8	51	26.5	10	5.20	6	3.1	3.73	3.79
		TDP	2	13.3	7	46.6	2	13.3	2	13.3	2	13.3	3.20	

As can be seen from the Table 9 item 1, 49.7 % of teachers and 13. % TDP respondents replied that performance of teachers was not regularly evaluated, while 26.8 %of teachers and 73.3 % of TDP respondents believed that performance of teachers evaluated regularly and 23.3 % of teachers and 13.3 % of TDP have no judgment at all. Based on this the mean of teachers respondent is 2.64 that indicates below the average point three and the mean of TDP respondents is 3.80 which shows greater than 3. Their weighted mean also 2.75. They may differ in their belief on the implementation but as the weighted mean shown which is below the average point, the performance of teachers is not measured in a continuous follow up.

In Table 9 item 2, 59.6 % and 26.8 % of teachers and TDP respondents respectively revealed that the feedback of performance evaluation was not provided to teachers whereas 17.4 % of teachers and 53.3 % of TDP respondents affirmed that the feedback is provided to teachers. In the case of this, the mean of teachers' respondent is 2.16 which indicate below the average point 3 and the mean of TDP respondents is 3.40 that show greater than the

average. Besides the weighted mean are 2.25. Here it could be said the two groups of respondents are varied in their opinion about the item. The weighted mean is below average shown that the provision of feedback to teachers is unsatisfactory. The variation is created due to the inconsistent provision of feedback perceived by teachers where as the TDP simply answered, based according to the rules and regulations what they used as interviewee said.

As long as rewards are allocated, based on factors that are directly linked to doing the job successfully, using performance will be determinant. So that performance should evaluated through its own criteria and as soon as possible providing feedback also the mechanism to improve and strengthen the results of any job. However, as the figure indicated performance is not evaluated in continuous way and even the provision of feedback is poor. In light of this, without a regular follow up it is difficult to rank and reward employees. Therefore, it is necessary to look at and examine the evaluation mechanism of the secondary schools.

From the above Table 9 item 3, 62.8 % of the teachers and 47.7 % of the TDP respondents replied that the criteria of the performance evaluation were less in its objectivity. The mean show 2.2 and 2.40 respectively which is below average and the weighted mean is also 2.23. This indicates that the teachers were performing their work based on the unclear and immeasurable criteria. From the same table item 4, 65 % of teachers and 60 % of TDP respondents assured that the performance evaluation criteria is given to every teacher of the school according to his/her career level and used as a guideline for their work. In addition, the means (3.73 and 3.20 respectively) indicate in knowing the criteria of performance evaluation were satisfactory.

**Table 10. Capacity of the Reward System to Retain Able Teachers**

No	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	The capacity in retaining able teachers	Teac hers	46	22.8	26	12.9	10	4.9	25	12.4	94	46.7	2.35	2.51
		TDP	2	13.3	2	13.3	1	6.6	5	33.3	5	33.3	0.16	
2	The ability to increase moral /satisfaction of teachers	Teac hers	18	8.9	24	11.9	43	21.3	35	17.4	81	40.3	2.27	2.27
		TDP	1	6.6	1	6.6	4	26.6	4	26.6	5	33.3	2.26	
3	Able teachers have shown best results	Teac hers	19	9.5	23	11.5	19	9.5	59	29.5	80	40	2.04	2.17
		TDP	-	-	1	6.6	1	6.6	10	66.3	3	20	0.13	

As can be read from the above Table 10 item 1, 59.2 % of teachers and 66.6 % of TDP respondents confirmed that the reward system didn't help the organization in retaining efficient skilled and experienced employees. The mean of which were 2.35 and 0.16 respectively describe lower than the average point 3. This shows that performance reward system could not play an important role in retaining the efficient, skilled and experienced employees.

In Table 10 item 2, 57.7 % of teachers and 60 % of TDP respondents believed that the compensation policy does not enable the organization to increase and maintain moral/satisfaction of its teachers. The means are 2.27 and 2.26 respectively shown that is below average point 3. This signifies the compensation policy doesn't help the organization to increase and maintain moral/satisfaction of teachers.

Concerning the efficient, skilled and experienced teachers whether shown results by their own performance in the organization or not, 69.5 % of teachers and 86.3 % of TDP respondents replied that the teachers were not showing their skills and experience practically. The means of which were 2.04 and 0.13 respectively and weighted mean 2.17 that describes lower than the average

point 3. This may be resulted from the unsatisfactory reward system of the organization in which skilled teachers didn't show their tremendous effort.

**Table 11. Respondents' Perception Regarding In-service Training, Promotion and other Benefits**

No	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	On job training	Teachers	67	33.3	68	33.8	30	14.9	22	10.9	14	6.9	4.09	4.06
		TDP	3	20	7	46.6	2	13.3	1	6.6	2	13.3	3.53	
2	Up grade teachers from diploma to BA/MSc/Med	Teachers	57	28.3	41	20.4	20	9.9	32	15.9	51	25.3	3.10	3.13
		TDP	4	26.6	6	40	2	13.3	1	6.6	2	13.3	3.60	
3	up grade teachers from BA/BSc/BEd to MA/MSc/Med	Teachers	10	4.9	18	8.9	37	18.4	37	18.4	99	49.2	2.02	2.08
		TDP	3	20	3	20	2	13.3	3	20	4	26.6	2.87	
4	View of teachers on promotion/ advancement	Teachers	80	39.8	41	20.4	26	12.9	24	11.9	30	14.9	3.58	3.58
		TDP	4	26.6	6	40	3	20	-	-	2	13.1	3.67	
5	Free school fee for teachers' children	Teachers	47	23.3	56	27.8	30	14.9	32	15.9	36	17.9	3.23	3.26
		TDP	5	33.3	5	33.3	1	6.6	3	20	1	6.6	3.67	

From Table 11 item 1, it can be seen that about 67.1 % and 46.6 % of teachers and TDP respondents respectively are satisfied with the given on job training to enhance the proficiency of teachers. Even their means 4.09 and 3.53 respectively describes greater than the average point of 3. This indicates the satisfaction of respondents concerning on job training.

The data set out in the above Table 11 item 2, 48.3 % of teachers and 66.6 % TDP respondents have been shown their agreement regarding to the given in-service training in summer courses for BA/BSc/Bed. The means of which are also 3.10 and 3.60 described that is greater than the average. This indicates the respondents are satisfied with the given summer course of BA/BSc/BEd program.

On the contrary in Table 11 item 3, 67.6 % of teacher respondents and 46.6 % of TDP respondents replied that the regular and summer program of upgrading from BA/BSc/BEd to MA/MSc/MEd is not given. Besides the means show 2.02 and 2.87 respectively and this indicates below average point of 3. In light of this, the respondents are dissatisfied with the stopped up program of MA/MSc/MEd and the absence such opportunity have considerable negative effect on the motivation as well as performance of the staff members who are basically knowledge workers.

In Table 11 item 4, reveals that most of the respondents have indicated that teachers who have graduated in the given related course were getting relative promotion in their organization. Further more, in table 12 item 5, 51.2 % of teachers and 66.6 % of TDP respondents confirmed that the teachers' children are freely (without school fee) learnt in the government schools.

From the aforementioned Table 11, it can be observed that four out of five components of the educational assistance on job training, summer courses for BA/BSc/BEd, relative promotion for related course graduation and free fee learning in the government schools are taken as a good privilege by teachers, while the remaining opportunity for MA/MEd/MSc which is expected by most of the teachers to be promoted from one academic rank to the highest has already stacked.

Apart from being a motivational problem, the success of an educational institution greatly depends on the academic qualification and quality of teaching staff, the current very narrow level of opportunity for teachers to pursue their further studies in MA/MSc/MEd a threat for the present and actual performance of secondary schools.

**Table 12: Availability of Medical Scheme by the Organization**

N / S	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	medical service available to teachers	Teachers	8	3.9	8	3.9	8	3.9	24	11.9	153	76.1	1.26	1.28
		TDP	-	-	-	-	1	6.6	6	40	8	53.3	1.53	
2	medical service available to teachers' family	Teachers	-	-	-	-	7	3.4	16	7.9	178	88.5	1.15	1.17
		TDP	-	-	-	-	-	-	6	40	9	60	1.40	
3	made subsidy to teachers	Teachers	-	-	-	-	38	18.9	38	18.9	124	61.6	1.56	1.61
		TDP	-	-	-	-	3	20	4	26.6	8	53.3	1.67	
4	made subsidy to teachers' family	Teachers	-	-	-	-	22	10.9	33	16.4	146	72.6	1.38	1.43
		TDP	-	-	2	13.3	2	13.3	4	26.6	7	46.6	1.93	

From Table 12, it can be observed that almost all of teachers and TDP respondents indicated that the coverage of medical service for teachers, their family and even subsidy on medical service is inexistent in the organization. Since all the items included important factors relevant to improve the quality of work lives and the personal lives of the employee. This signifies the inability of the Ministry of Education to provide such package needs improvement to raise the motivation of the employees.

**Table 13: Respondents' Perception towards the Service of Cafeteria**

N/ S	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	Medical services available to teachers	Teachers	8	3.9	8	3.9	8	3.9	24	11.9	153	76.1	1.26	1.28
		TDP	2	13.3	1	6.6	3	20	5	33.3	4	26.6	2.47	
2	Price of the meal	Teachers	14	6.9	25	12.4	34	16.9	54	26.8	74	36.8	2.26	2.24
		TDP	-	-	2	13.3	2	13.3	6	40	5	33.3	2.07	
3	Saves wastage of schools time.	Teachers	76	37.8	55	27.3	28	13.9	20	9.9	22	10.9	3.71	3.71
		TDP	5	33.3	5	33.3	2	13.3	3	20	-	-	3.80	
4	Saves teachers from not to be tired	Teachers	65	32.3	51	25.3	25	12.4	31	15.4	29	14.4	3.45	3.44
		TDP	5	33.3	4	26.6	2	13.3	3	20	1	6.6	3.27	

As can be read from the above Table 13 item 1, 67.1 % of teachers and 59.6 % of TDP respondents believed that the quality of meal which is provided by the organization's cafeteria is poor. The calculated means of which are 2.13 and 2.47 respectively. This indicates that it is below the average point of 3. Besides, concerning the price of the meal 63.6 % of teachers and 73.3 % of TDP respondents replied that the price of the meal is expensive in relation to its quality and as an organizational supply. The means as well as its weighted mean also indicates below the average point. Thus the price of the meal doesn't take in to account as a service which should be provided by the organization to its teachers.

According to Sherman and others (1998) the chief objective of most benefits are to improve employee satisfaction, to meet employee health and security requirements to attract and motivate employees to reduce turn over and maintain a favorable competitive position. However, it is indicted that the organizations inability to provide an acceptable meal with a fair price which are essential to improve the motivation of teachers.

In Table 13, item 3, 65.1 % of teacher and 66.6 % TDP respondents confirmed that the presence of cafeterias is necessary and saves wastage of the school's time. In line with this 57.7 % and 60 % of teachers and TDP respondents respectively believed that the presence of cafeteria not only saves the wastage of time but also it protects teachers from not being tired. The mean value signies above the average point 3.

In this regard the respondents show their agreement on the great role of cafeteria for the organization as well as the teachers. Even though, all the sampled secondary schools have established some kind of a tea room to serve

teachers, the extent of the service that supplied by the organization is dissatisfying the teachers.

**Table 14: Respondents' Perception towards the Transportation Service.**

N / S	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	Provision of transport	Teac hers	2	1	3	1.4	10	4.9	19	9.4	167	83	1.29	1.30
		TDP	-	-	-	-	1	6.6	5	33.3	9	60	1.40	
2	Given in the allowance form.	Teac hers	2	1	-	-	8	3.9	15	7.4	176	87.5	1.19	1.21
		TDP	-	-	-	-	2	13.3	5	33.3	8	53.3	1.47	
3	The presence of transport has its own role.	Teac hers	140	69.6	14	6.9	8	3.9	14	6.9	25	12.4	3.85	4.12
		TDP	7	46.6	5	33.3	-	-	1	6.6	2	13.3	0.27	

As can be seen from the above Table 14, almost all of the teachers and TDP respondents affirmed the inexistence of either transport service or transport allowance. Nonetheless, most of the respondents believe that the existence of transport service or transport allowance facilitates the teaching learning process and builds the employee's moral.

Generally, as Flippo, E. (1980) states compensation has practical operational values to the employing organization including maintenance of work force in competition with other organization, preservation of some degree of employee, management peace in collective bargaining arrangement and maintenance of acceptable level of general morale.

Although all of the items included are relevant to improve the quality of the work lives and the personal lives of the employees, the Ministry of Education and Regional Education Bureau didn't able to fulfill such packages.

**Table15: Responsibility Allowance**

N / S	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	To vice principals	Teachers	142	74.4	8	4.1	15	7.8	15	7.8	12	6.2	3.34	4.36
		TDP	11	73.3	4	26.6	-	-	-	-	-	-	4.73	
2	To department heads	Teachers	7	3.4	5	2.4	8	3.9	15	7.4	166	82.5	1.37	1.36
		TDP	-	-	-	-	-	-	5	33.3	10	66.6	1.33	
3	To unit leaders	Teachers	7	3.4	5	2.4	8	3.9	15	7.4	166	82.5	1.37	1.36
		TDP	-	-	-	-	-	-	5	33.3	10	66.6	1.33	

Item 1 of Table 15 reveals that most of both respondents agreed on the responsibility allowance paid for the vice principal. On the other hand, in the same table concerning item 2 and 3, about department heads' and unit leaders responsibility allowance, both respondents assured that the organization did not pay to those teachers who are placed in the responsibility.

As Cherrington (1995) stated human resource management is responsible for how people are treated in organizations. It is responsible for bringing people into organization, helping them perform their work, compensating them for their labors, and solving problems that arise. Accordingly, the human resource management of Ministry of Education has been solving the problem of vice principals responsibility allowance by structuring its own salary scale whereas the department heads' and unit leaders' responsibility wasn't considered as a responsibility in the high school level. This shows that those responsible people are not giving their full attention to the duty they are assigned for because they need to supplement their income through working in their free time out of the organization and even they become less committed to their work.

**Table 16: Payment for Extra Load and Perdiem**

N / S	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	Payment for extra load	Teachers	10	4.9	40	19.9	7	3.4	48	23.8	96	47.7	2.10	2.1
		TDP	-	-	3	20	2	13.3	5	33.3	5	33.3	2.20	
2	Perdiem payment for teachers	Teachers	-	-	-	-	5	2.4	17	8.4	179	89.0	1.13	1.14
		TDP	-	-	-	-	-	-	6	40	9	60	1.33	

The figure which is found in the above Table 16 item 1, 71.6 % of teachers and 66.6 % of TDP respondents assured that a high degree of dissatisfaction among the staff on the adequacy of payment for carrying extra work load. Besides the calculated means are 2.10 and 2.20 respectively that indicates below the average point 3. From this it could be concluded that teachers are dissatisfied with the adequacy of their payment for carrying extra time work load and additional assignments to the extent of considering them almost as free service to the organization.

As can be seen in Table 16 item 2, 97.5 % and above of teachers and TDP respondents confirmed that provision of house allowance and per diem payment on non working days is unknown by the organization. The calculated weighted mean indicates 1.14 which is very low level in relation to the average point. As observed from their responses, they are not paid when they are asked to work or to attend meetings in non working days. From this one can conclude that it is an imposition of extra tasks (with out any incentive) on the teachers and this in turn would negatively impact the expected contribution of teachers to their organization. Therefore, the organization should take a measure on such trends just like other civil servants who have got their per diem payment for every extra task.

**Table 17: The View of Respondents Regarding the Revision of Salary, Benefits and the Communication about Salary and Benefits**

N / S	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	Regularly revises the salary to consider the rising cost	Teac hers	-	-	8	3.9	17	8.4	31	15.4	1.5	77.1	1.50	1.53
		TDP	-	-	2	13.3	2	13.3	4	26.6	7	46.6	1.93	
2	Regularly revises the benefits to take in to account the rising cost	Teac hers	-	-	8	3.9	8	3.9	33	16.4	15	75.6	1.31	1.45
		TDP	-	-	2	13.3	2	13.3	4	26.6	7	46.6	0.14	
3	Communicates about the salary and benefits	Teac hers	5	2.5	7	3.6	30	15.5	25	12.9	12	65.2	1.48	1.62
		TDP	-	-	2	13.3	2	13.3	5	33.3	6	40	0.14	

As can be seen in Table 17, item 1 and 2, most of the respondents believe that the salary level and benefit have seldom get reviewed the rising cost of living. The means and weighted mean of the items indicate 1.53 and 1.43 respectively. This implies most respondents stress on the difficulty of living with today's global economic crises, covering even the daily expenses with their inadequate pay, as a very challenging.

In Table 17, item 3, 78.2 % of teacher and 73.3 % of TDP respondents replied that the organization has not communicated the employees about the cost of non-cash benefit which is covered by it. The means and weighted mean is below the average point. This indicates employees are in nearly poor understanding of the benefits. Meaning, it was found that the employees didn't appreciate the actual benefit. As Byars and Rue (1994) stated most organizations provide some form of benefits to their employees, but the average employee often has little idea of what he or she is receiving.

**Table 18: The Means Used to Gather Information about the Salary and Benefits**

N / S	Item	Raters	Frequency										Mean value	Weighted mean
			5		4		3		2		1			
			No	%	No	%	No	%	No	%	No	%		
1	Questionnaire	Teachers	2	1	8	4.0	18	9.0	14	7	157	78.8	1.41	1.44
		TDP	-	-	1	6.6	3	20	3	20	8	53.3		
2	Interview	Teachers	2	1.0	7	3.5	15	7.6	15	7.6	159	80.7	1.38	1.41
		TDP	1	6.6	2	13.3	-	-	3	20	9	60		
3	Discussion/meeting	Teachers	5	2.5	14	7.1	20	10.1	11	5.5	147	74.6	1.57	1.61
		TDP	-	-	3	20	2	13.3	3	20	7	46.6		

As can be read from the above Table 18, most of the respondents assured the organization was poor in gathering information regarding the teachers' perception towards the existing salary and benefits using questionnaire, interview and discussion. Regarding this the means and their weighted means show that in a very low level and hence the teachers are dissatisfied with such kind of practices.

In general, it has been reported that teacher and TDP respondents, reveal a good compensation system enables the organization to make teachers keep up with their career and to build their moral. Nevertheless, this experience should not conceal the fact that most teachers are discontented with different aspects of compensation system. In this regard, academic administrators have to perceive that "attending class" does not by it self guarantee to secure maximum endeavors from their teachers and ultimately maximize achievements.

In order to maximize achievement of objectives, concerned bodies are required to extend their efforts in the salary level and benefits of teachers in relation to the standard of living cost.

In addition to the proposed problems in the area of organizational compensation systems suggested and rated, respondents have also indicated other problems which they have considered as the major problems in their organizations' compensation systems. Among these problems:

1. Lack of proper technique and consistency in evaluating teachers' performance leads teachers to be discontented.
2. Lack of proper report on the career level of teachers' creates its own problems on teachers and budget's of the Woreda.
3. Experienced teachers are less desired when they arrive at the last level (lead teacher) of the career level the so called "menopause" by them.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Summary of the Major Findings

It is reported by several studies that motivation in a work setting can be determined by several compensation system variables. To identify the status of these factors in secondary schools of Eastern Zone of Tigray Region, this study is set out with a major objectives of reviewing and assessing the over all status of aforementioned compensation system variable in the said secondary schools. Further more, the specific objectives of the study are aimed at examining the condition and extent of compensation system, describing the prevailing problems in the secondary schools' organizational compensation systems and suggesting alternative options to the problems identified.

The following questions have been formulated as basic targets of the study.

1. To what extent do teachers appreciate the amount of salary and benefits they receive?
2. Does the compensation system help in retaining qualified teachers of secondary schools?
3. To what extent does the design of compensation system affect the performance of teachers?
4. What are the measures taken to implement compensation practices in schools?

To answer the above questions, the study was conducted on a sample size of 207 teachers randomly selected and 15 TDP officials of the schools and education office of the Woredas from five secondary schools of Eastern Zone of Tigray region selected on the availability sampling technique. Out of the 222 questionnaire distributed, 216 questionnaires (97.29%) were filled and collected and this percentage was considered good enough to make all conclusions. Based on the information presented and analyzed, the most prominent findings of the study are summarized and presented in the subsequent paragraphs.

The background of the respondents was revealed that about 67.66% of the teacher respondents were below the age of 30. On the other hand, 100% of the TDP officials were greater than the age of 30. This may indicate the TDP officials were matured enough in their age for the job. With regard to the academic qualification mix of the respondents, except 1.99% of teachers and 6.67% of TDP with diploma, the rest all are first degree holders. Such a situation can be a signal for the secondary schools which almost were filled by the necessary qualification according to the training and educational policy suggested- i.e., teachers ought to have a minimum of first degree to teach in the first cycle of the secondary schools.

Concerning career level and years of service, 66.67% of the teachers were found below the teacher level and less than 5 years in service. This may indicate extensive employment of young graduates. Moreover, 66.67% of teachers' monthly salary were below 1500 Ethiopian Birr, whereas 66.67% of the TDP were paid greater than 1500 Ethiopian Birr. Thus the majority of teachers' monthly salary falls in between 1000 and 1500 Birr.

From the presentation and analysis given in the previous chapter it is possible to say that both groups of respondents have the opinion that the actual salary schedule of their secondary schools is inadequate to enable them keep the standard of living. Most of them are dissatisfied with the actual salary which is too difficult to cover the expenses of food supply, medical service, and house rent of themselves and their family.

It was also identified that the fairness of the salary of teaching compared to other occupations requiring similar qualification, and the increment in the career structure which was provided by their organization was unsatisfactory. On the other hand, respondents have expressed their satisfaction with the internal equity of their organization.

Besides, both groups of respondents assured that the present compensation system didn't enable to enhance the performance of teachers and to initiate their motivation. This implies that the compensation system doesn't have a strong tie with the performance of teachers.

Concerning the reward system's capacity to retain able teachers, most of the teacher and TDP respondents replied that the reward system's capacity was very weak in retaining and maintaining moral/satisfaction of its teachers. Due to this reason, able teachers may not be diligent to use their skill and experiences in the teaching learning process accordingly.

From the respondents' point of view it was clearly shown that four out of the five components of the educational assistance: on job training, summer courses for BA/BSc/BEd, relative promotion for related course gradated and free fee learning in the government schools are taken as a good privilege by teachers, while the remaining opportunity for MA/MEd/MSc which is expected by most teachers to be promoted from one academic rank to another has already stacked.

Moreover, the respondents were not happy with their organizations' provision or subsidy for medical and transport facilities was particularly inexistent. Apart from this, cafeteria and lounge services were also unsatisfactory to create conducive work environment in these secondary schools. On the other hand respondents have expressed their opinion in that the presence of cafeteria saves wastage of schools' work time and teachers from tiredness.

It was also identified that the fairness of allowance payment and extra load, respondents confirmed that the responsibility allowance of vice principals is solved by structuring its own salary scale, where as the department heads' and unit leaders' responsibility allowance weren't considered in the high schools. In addition provision of house allowance and per diem payment on non-working days is not known by the secondary schools. As it is observed from their responses, the house allowance and per diem payment provided by the

organization gave less emphasis to reduce the day- to- day living experiences of teachers and address their basic needs.

Communication about pay system is defined as exchanging information and creating understanding about pay system. But most of the respondents believed, regarding the salary and benefit that they have seldom got reviewed the rising cost of living. Besides they assured that the organization didn't communicate them about their salary and benefits. And this shows that teachers are living under stress and difficulty.

## **5.2 Conclusions**

The findings from the study show that the salary of the teachers of secondary school of the Zone perceived was inadequate to survive reasonable standard of living and this may be challenging for them. In addition, the teachers' salary and their career level increment when compared to other occupations are incompatible and unsatisfactory, regardless of its internal equity. This internal equity also indicates that pay decisions in the organization were reasonable and fair. This can also create cooperation and collegiality among teachers.

With this content, the competitiveness of the salary with pay for other occupations and even the increment of the career structure were not reviewed in relation to other sectors to adjust the living condition of teachers with the increased cost of living that resulted from inflation. Therefore, inability of implementing, comparable salary pattern and structuring inadequate career level are seriously affecting the current pay and benefit system.

As the respondents confirmed the present compensation system didn't enhance the performance and motivation of teachers. This implies that the compensation system doesn't have linkage with the performance of teachers. This indicates a need to revise the compensation system to have a link with the performance of teachers.

According to the respondents the reward system didn't help the organization to retain and maintain the moral satisfaction of the efficient and skilled teachers. Whatever the performance of teachers exhibited, it doesn't warrant a pay action both as a reward and strategic for retention. Due to this reason desired behaviors were depressed and the staffs' attitudes and commitment level were negatively affected.

Concerning educational assistance: on job training, summer courses for BA/BSc/BEd, relative promotion and fee free of learning in the government schools are considered as a good privilege by the respondents, where as opportunity for MA/Med/MSc which is expected by most degree graduate teachers has already stacked and the absence of such opportunity has a considerable negative effect on the motivation as well as performance of the teachers who are basically knowledge workers. On the other hand, the presence of on job training, summer courses of BA/BSc/BEd, promotion and fee free learning is encouraging to them.

The inexistence of provision or subsidy of medical and transport service by the organization is observed by the respondents since they are relevant factors to improve the quality of work and personal lives of the teachers. In addition cafeteria and lounge services are unsatisfactory in creating conducive work environment in these secondary schools. On the other hand, the presence of a cafeteria saves wastage of school's work time and teacher's from tiredness. This all indicate the organizations were not considering the rising cost of living.

Pay for extra work load, responsibility allowance, house allowance, per diem and benefits provided by the organization are almost inexistence to teachers. From this it could be concluded that teachers are dissatisfied with the inexistence of pay to the extra work load, responsibility, house rent, and per diem as if they are free services to the organization. This leads those responsible teachers not to give due attention to the duty they are assigned for because they need to supplement their income through working in their free time out of their organization and even they become less committed to their job.

Openness about pay and benefit is necessary to create a culture of trust and involvement. Without factual information about pay practices and rates of pay issues, the salary and benefit system will be subject to speculation and misinterpretations and this in turn may lead to reduced trust. Teacher communications is perceived to be the primary task for the future organizational success.

In a nutshell, the overall mean value of the components regarding the compensation system is below the required average point, and thus it is possible to conclude that teachers are working in a state of dissatisfaction with the component of the compensation system. The status of the compensation system is low. More over, MOE, REB, WEO and secondary schools are providing unsatisfactory state of organizational compensation system which might also has an adverse effect on their over all performance.

### **5.3 Recommendations**

This sub-section presents possible options, which might be applied as solutions to the problems identified in the organizational compensation system of the secondary schools of Eastern Zone of Tigray Region. The basis for the recommendations is the conclusions made based on the findings.

1. It is highly recommended for the Ministry of Education to compare its salary level and benefits periodically with that of other occupation and standard of living relatively with teachers' qualification and their efforts.
2. Compensation system should be designed as it enhances the performance and motivation of teachers. Teachers may be motivated when they believe that such compensation will lead to desired rewards, so that Ministry of Education would have to take a measure on stretching the amount of the career level and making to continue the career structure until teachers are working satisfactorily and above it.

3. The Woreda Education Office and the Secondary Schools have to introduce planned reward systems that enable to reward high performers and highly skilled and experienced teachers will be retained.
4. Tigray Regional Education Bureau and Woreda Education Office should propose further academic opportunity to up grade the educational qualifications (from BA/BEd/BSc to MA/MEd/MSc) of their teachers by arranging scholarship both locally and abroad.
5. Ministry of Education should take in to account the provision of medical and transport facilities in the form of full coverage or subsidy to improve the quality of work and the personal lives of teachers.
6. Secondary schools should follow up the quality of meal provided by the cafeterias so that employees' dissatisfaction may be reduced and cost effectiveness and efficient utilization of the food staff could be resulted.
7. Ministry of Education should evaluate organizational reward system to make their financial benefits especially in connection with allowance for additional responsibilities, per diem and incentive to encourage performances. This helps to motivate the existing staff stay for a longer time and effectively contribute to the secondary schools performances.
8. Regional Education Bureaus and Woreda Education Office have to conduct a salary and benefit survey using questionnaire, interview and discussion in order to get feedback and to know the perception of teachers towards the existing salary and benefit systems and to what extent they are satisfied by it.

Finally, compensation system of the Ministry of Education has an influence on translating the vision and mission in to practice. Hence, the Ministry of Education and Regional Educational Bureau are expected to bring their attention in handling their teachers by satisfying their needs marking its financial capability.

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**Amgen**

**APPENDIX 1**  
**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES**  
**Department of Educational Planning and Management**

Dear teacher,

The purpose for this questionnaire is to gather data for a study on an organizational compensation system of your institution.

In this study, organizational compensation system such as salary, fringe benefits, financial incentives will be treated in detail. The state of compensation variables will be investigated so that feasible solutions will be recommended to assist in alleviating possible drawbacks experienced in the organizational compensation systems of your institution.

Since the success for this study relies upon your genuine responses, you are kindly requested to be honest in answer to all question items. The information that you will supply remains confidential.

**General direction:**

- You are not required to write your name.
- Indicate your response by making a “√” in the given table.
- Give short and precise responses to open ended questions.

Thank you very much.

Mulugeta Seyoum

**Part I. Please put a tick mark (√) where you think is appropriate in the box provided**

1. Sex:    Male     Female
2. Age in year's    ≤ 20     21-25     26-30     31-35   
                                 36-40     41-45     ≥46

3. Qualification

Diploma  BA/BSC/MED  MA/MSC/MED

4. Career level: Beginner Teacher  Junior Teacher  Teacher   
 Senior Teacher  Senior Lead Teacher   
 Lead Teacher

5. Total years of service 1-5  6-10  11-15   
 16-20  21 and above

6. Your marital status Single  Married  Divorce  Widow

7. How many children do you have No child  One   
 Two  Three  ≥ Four

8. Your monthly gross salary  
 Below 1000  1001-1500   
 1501-2000  2001 and above

**Part II.** Please put a tick mark (√) where you think is appropriate in the space provided.

**Note:** SA= Strongly agree, A= Agree UD= Undecided DA= Disagree  
 SD= Strongly disagree

No	Description	SA	A	UD	DA	SD
1	With the actual salary teachers can					
1.1	Feed themselves					
1.2	Feed their family					
1.3	Cover school expenses of their children					
1.4	Pay house's rent monthly					
1.5	Cover medical service expenses of themselves					
1.6	Cover medical service expenses of their family					
1.7	Cover transport service expenses of themselves					
1.8	Cover transport service expenses their family					
1.9	Pay the expenses for what they wear (cloths, shoes and others)					
2	The salary level of the organization is comparable to other occupations requiring similar or equivalent qualification.					
3	There is internal equity in the pay system of the organization					
4	The current increment level that is added to the base salary the organization provided is satisfactory					
5	The compensation system enables the organization to enhance the performance of academic staffs					
6	The pay system of the organization encourages peak performance					
7	Consistency in conducting Performance evaluation					
8	Provision of feedback of performance evaluation results					
9	Objectivity of performance evaluation					

10	Knowledge of Performance evaluation's criteria					
11	The reward system helps the organization in retaining efficient skilled and experienced employees					
12	The compensation policy enables the organization to increase and maintain moral/satisfaction of its academic staff					
13	The efficient skilled and experienced employees are shown results by their own performance in the organization					
14	On job training is given to enhance the proficiency of teachers					
15	Summer courses are given to upgrade the teacher's grade level					
16	There is regular program that participates to up grade teachers from BA/BSc/BEEd to MA.MSc/MEd					
17	Teachers who have graduated in the given related course were getting relative promotion/advancement					
18	Teachers' children are freely (without paying school fee) learnt in the government schools.					
19	The organization covers medical service expenses to teachers					
20	The organization pays medical service expenses to teachers' family					
21	The organization made subsidy on medical service expenses to teachers					
22	The organization made subsidy on medical service expenses to teachers' family					
23	An acceptable quality of meal is provided by the organization					
24	Price of the meal which is provided by the organization considers the buying power of the employees.					
25	Presence of cafeteria that saves wastage of schools time.					
26	Presence of cafeteria that saves teachers from not tiredness					
27	Transportation is provided by the organization					
28	Instead of providing transportation, the organization substitutes in the allowance form.					
29	If the above mentioned services are present, they can have their own role in facilitating the teaching and learning process.					
30	Teachers are compensated for carrying extra load					
31	Department heads have been paid allowance for their responsibilities					
32	Vice principals have been paid allowance for their responsibilities					
33	Unit leaders have been paid allowance for their responsibilities					
34	Per diem payment for a meeting or other organizational activity that is going on non working day is provided by the organization					
35	The organization regularly revises the salary system to consider the rising cost of living					
36	The organization regularly revises the benefits to consider the rising cost of living					
37	The employees are communicated by the organization about the cost of non cash benefit that is covered the organization					
38	The organization gathers information/input regarding the employees perception towards the existing salary and benefits using					
38.1	Questionnaire					
38.2	Interview					
38.3	Discussion/meeting					

39. What do you suggest regarding the benefits the organization provides to its academic staff? Is there any other benefit(s) that you think shall the organization have to grant to its academic staff? \_\_\_\_\_

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40. What could be your comment regarding the salary level of the organization in relation to retaining skilled, efficient and experienced employees? \_\_\_\_\_

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41. What could be your general comment regarding the impact of the compensation policy of the organization on the performance of academic staff?

## Declaration

I, the undersigned, declare that this is my original work and has not been presented for a degree in any other university and that all sources of materials used for the thesis have been fully acknowledged.

Name Mulugeta Seyoum

Date of submission-----13/05/2018-----

Signature----------

This thesis has been submitted for examination with approval as a university advisor

Name Melaku Yimam (Ato)

Date of Approved-----

Signature-----