

## **Gender Perspective on Compensation of Health Institution in Ramechhap District of Nepal**

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### **Abstract**

*Compensation is defined as monetary or non monetary benefit given to an employee by the organization as services to an organization which encourage the staff to improve the growth, development and performance of the organization. There are different systems of compensation distribution in each organization. This study aims to explore the gender perspectives on compensation being provided by the organization. The study was conducted among the staffs of health organization working in Ramechhap district of Nepal. The study is based on the descriptive design. A questionnaire was designed to collect the data. Cross-tab and Chi-square test was used to analyze the data. There was no signification association found among the male and female regarding compensation distribution at .05% signification level. It is found that organization has well-structured salary although employees are not satisfied with the current practice of salary distribution. Data show that majority of employee are not quite happy with reward and bonus system. Ramechhap district is one of the rural areas of Nepal. The health employees are performing their best although the compensation facilities they are getting are not satisfactory. That's why concerned authority should more focus towards compensation package to retain the employee for long term performance.*

### **Keywords**

Compensation, Gender perspective, Nepal, Organization

### **1. Introduction**

Compensation is a key element of the employment relationship and, in addition to being the single greatest operating cost for many organizations; it has been advocated by some recently as a tool for enhancing organizational performance and sustained competitiveness. Contemporary approaches to compensation emphasize the importance of aligning employee behaviors to the strategic direction of the organization (Trevor, 2003/2008). Compensation is a tool for reinforcing vision, acknowledging and rewarding unique abilities and contributions, enhancing team or unit or company cohesion, cooperation and productivity and meeting the cash, security and wealth building needs of employees. For some, satisfaction with pay strongly correlates with the employee decision to stay in the organization. For others, pay does not have a direct

influence on retention. In 1997 Trevor and his research team established that rise in pay increases retention capabilities of organizations (Charlie O. Trevor., 1997).

Compensation may achieve several purposes assisting in recruitment, job performance, and job satisfaction. To be effective, the managers must appreciate the value of competitive pay, their human resources, and have an investment view of payroll costs (Shukla & Tiwari, 2013). Bhattacharay has said that balancing the cost of compensation and retaining employees has now become the most important priority for today's organization (2009). Despite advances in society and the efforts of protective legislation, women still experience systematic discrimination in the workplace. Women earn about less than their male counterparts' salaries in the workplace, termed the national gender wage gap ( U.S. Census Bureau, 2013). Gender based division of work is found in Nepal as well. Male are known as brave and courageous than female, so female are provided the simple and easy task in work place which also affects the pay system.

In the context of Nepal, government has developed the layers of position from the level of support staff to Secretary in governmental organization whereas in private sectors has also level of support staff to Executive Director/Chief Executive Officer/Managing Director. In the government level, there is fixed salary system whereas in private sectors decide their salary structure on the basis of capacity of organization, experience, qualification and performance of employee, so it may vary with the government structures but most of the organization follows the other provisions of benefit sharing of government. From the gender perspective, there is no discrimination in government pay system for male and female in Nepal but it might vary in the system of private sector. This research aims to capture various perspective of gender on compensation along with gender differences on compensation of health institution.

## **2. Material & Method**

The present study is descriptive in nature. The study was carried out in Ramechhap District of Nepal selecting Doctors, Nurses and paramedic. It is primarily based on primary data. However, secondary data are also used to discuss and justify the finding of this study. Data through structured questionnaire with responses, Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree were distributed to 45 respondents; among them 32 employees who responded positively, remaining 8 employees did not participate, 4 employees were absent at the time of collection of data, 1 employee did not return the questionnaire, so finally only 32 responses were used for analysis. Simple Random sampling method was used to collect data. Pearson Chi-Square test was used to analyze and interpret results by using the SPSS (20 versions). Ethical approval (Reg. No.67/2017) was taken from the Nepal Health Research Council for data collection and written consent was taken from the each respondent.

## **3. Result & Discussion**

The study had collected the demographic information of respondents. In total, 48.4% females participated in study. Similarly, 51.6% respondents were unmarried and rest was married. The mean age of the respondents was 28.55 years and Std. Deviation was 8.225, which ranges from 19 years to 47 years. In total, 16.1% respondents were Doctors, 6.5% were Nurse and 77.4% respondents were paramedic. For education level, 61.3% of respondents had completed +2 level followed by 32.3% had bachelor level and only 6.5% of respondents had completed Master level.

### 3.1 The Salary Structure

Salary structure is a key factor affecting relationships at work. The level and distribution of salary structure can have a considerable effect on the efficiency of any organization, and on the morale and productivity of the workforce. It is therefore vital that organization's salary structure is appropriate for them, that provide value for money, and that rewards workers fairly for the work they perform. During the time of questionnaire survey, respondents were asked about company's salary structure. The responses of respondents are tabulated in following table.

Table 1: Gender perspective on salary structure

			Gender		Total
			Male	Female	
The salary grades are well structured.	Strongly Disagree	Count	1	0	1
		% of Total	3.3%	0.0%	3.3%
	Disagree	Count	1	1	2
		% of Total	3.3%	3.3%	6.7%
	Neutral	Count	3	3	6
		% of Total	10.0%	10.0%	20.0%
	Agree	Count	8	11	19
		% of Total	26.7%	36.7%	63.3%
	Strongly Agree	Count	2	0	2
		% of Total	6.7%	0.0%	6.7%
Total		Count	15	15	30
		% of Total	50.0%	50.0%	100.0%
Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)		
Pearson Chi-Square	3.474 <sup>a</sup>	4	.482		

**Source:** Field survey, 2017

During questionnaire survey, 3.3% respondents strongly disagreed that company salary grades are not well structured followed by 6.7% respondents' disagree. On the other hand, 20% respondents were found to be neutral, 6.7% respondents strongly agree that salary grades are well structured. Regarding this question, higher numbers (63.3%) of respondents were found agree up on salary grades are well structured. In total 70% agreed on the structure of salary system in the health institution of survey districts. The result indicates the better level of employee satisfaction in their current salary though still 30% employees were not agreed on it, so it also indicates the further improvement and revision in salary system for the motivation of other unsatisfied employees as well.

The result is found somehow different with the previous study conducted at Kenya among 102 respondents who believed that salary grades are well structured at the bank had a mean of 3.19, and SD of 1.175. The finding of Kenya, mean value 3.19 is more close to the neutral response in 5 Point Likert's scale but the current studies has more agreed response than the neutral and disagree. It shows that the salary system of Nepal is better than the Kenya.

The statistical value of Pearson Chi-Square test shows that there is no significant association between male and female staff of health organization regarding the salary structure of

organization because the  $P = .482$  which is greater than .05 significant level. It indicates that there is no any variation in experience of employee about the salary structure provided to male and female staffs.

### 3.2 Adequacy of Current Salary

In Nepal the inflation rate stood as 7.2% in last fiscal year which is higher in comparison to economic growth rate is about 2.32 % (2014/15) ( Government of Nepal Ministry of Finance, 2016). In comparison of inflation rate, increased salary is nominal in terms of market price of basic needs. The data very clearly show that the inflation rate is higher so that the employee has to expense more money for their basic needs; daily household expenditure, health, education, etc. Salary is one source of income for the employee to maintain their needs as well as it is motivation factor to retain the employee for long term, so there is need to increase the current salary system as increased inflation rate. Besides that, government should control the inflation at appropriate level to make the easy life for unemployed, poor and disadvantaged people too.

Respondents were asked about “The organization provides you enough salary as your basic needs” at the time of questionnaires survey. In response of above question, 36.7% respondents were found agree followed by 20% respondents were strongly disagreed. Regarding this question higher numbers (43.3%) of respondents were found to be neutral. The study found that the majority of employees were satisfied in the salary structured developed by the respective organization but payment was not satisfactory because more than 60% were not satisfied in their current salary as their basic needs.

Table 2: Gender perspective on current salary

			Gender		Total
			Male	Female	
The organization provides you enough salary as your basic needs.	Disagree	Count	3	3	6
		% of Total	10.0%	10.0%	20.0%
	Neutral	Count	5	8	13
		% of Total	16.7%	26.7%	43.3%
	Agree	Count	7	4	11
		% of Total	23.3%	13.3%	36.7%
Total		Count	15	15	30
		% of Total	50.0%	50.0%	100.0%
Chi-Square Tests					
		Value	Df	Asymp. Sig. (2-sided)	
Pearson Chi-Square		1.510 <sup>a</sup>	2	.470	

**Source:** Field survey, 2017

As finding compared with the previous study conducted in Dehradun city of India, it was found that competitive salary package 9% strongly agreed, 50% agreed, 18% were not sure, 11% strongly disagreed and 12% disagreed. More respondents agreed which can be interpreted that employees are being offered a competitive salary package (Sinha, D. & Shukla, S.K., 2013). The result of current study was found the varied from previous study's result of Dehradun city conducted by Mr. Sinha and friends.

The statistical value of Pearson Chi-Square test shows that there is no significant association between male and female staff of health organization regarding enough salary as their basic

needs provided by organization because the  $P = .470$  which is greater than .05 significant level. It indicates that there is no any variation in experience of employee about their salary by their respective organization.

### 3.3 Current Salary Compared to the Market Rate

Comparisons between the self and others are a fundamental psychological mechanism influencing people's judgments, experiences, and behavior. People constantly engage in social comparisons (Katja Corcoran, 2011). Whenever they are confronted with information about how others are, what others can and cannot do, or what others have achieved and have failed to achieve, they relate this information to themselves (Dunning, D., & Hayes, A. F, 1996).

Adams Equity Theory proposes that a person's motivation is based on what he or she considers to be fair when compared to others. Considering following statement “*Current salary compared to the market rate*” question is asked during survey. The results shows that 3.3% of respondents were strongly disagree followed by 40% were disagreeing. This result show that comparison to other organization current organization salary is not good.33.3% respondents were agree responding good salary in favor of current organization and 23.3% respondents were neutral. From the data it is clear that more than 63% of respondents were unhappy regarding salary that is provided by company in comparisons to other related organization.

Table 3: comparison of current salary with market rate

			Gender		Total
			Male	Female	
You can describe your current salary as good compared to the market rate.	Strongly Disagree	Count	1	0	1
		% of Total	3.3%	0.0%	3.3%
	Disagree	Count	6	6	12
		% of Total	20.0%	20.0%	40.0%
	Neutral	Count	2	5	7
		% of Total	6.7%	16.7%	23.3%
	Agree	Count	6	4	10
		% of Total	20.0%	13.3%	33.3%
Total		Count	15	15	30
		% of Total	50.0%	50.0%	100.0%
Chi-Square Tests					
	Value	Df		Asymp. Sig. (2-sided)	
Pearson Chi-Square	2.686 <sup>a</sup>	3		.443	

**Source:** Field survey, 2017

Thought there was no significant association ( $p=.443$ ; it is greater than .05) found between respondents on their perception regarding his/her current salary as good compared to the market rate. However, data show no sex gap in salary compares to market rate, but Health organization that are located in rural areas are unable to provide better salary in comparisons with other urban located health organization so, data show requirement of better salary for rural health organization employee than other organization for better performance and to retain them.

### 3.4 Salary Influences Commitment to Stay with the Organization

I talk with 21years unmarried Mr. Khadka permanent resident of Dolakha district (rural area) of Nepal share his experiences regarding salary working as a temporary paramedic in Ramechhap saying that. *“I have big family I am the only one to earn, so money play vital role in my life I don’t have too much experiences so I think this salary make me to stay in this organization until I get better opportunity”*.

The survey data was collected from the respondents by asking the question that whether organization salary influences employee commitment to stay in the organization. Data mentioned that 13.3% respondents as strongly disagree followed by 26.7% respondents as disagree. Apart from this, 23.3% respondents agree and 3.3% strongly agree. Majority of the respondents (33.3%) replied in neutral answer. From this data it is known that majority of respondents are not sure about “Salary influences your commitment to stay with the organization”.

Table 4: Influence of salary to stay in organization

			Gender		Total
			Male	Female	
Salary influences your commitment to stay with the organization.	Strongly Disagree	Count	3	1	4
		% of Total	10.0%	3.3%	13.3%
	Disagree	Count	3	5	8
		% of Total	10.0%	16.7%	26.7%
	Neutral	Count	3	7	10
		% of Total	10.0%	23.3%	33.3%
	Agree	Count	5	2	7
		% of Total	16.7%	6.7%	23.3%
	Strongly Agree	Count	1	0	1
		% of Total	3.3%	0.0%	3.3%
Total		Count	15	15	30
		% of Total	50.0%	50.0%	100.0%
Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)		
Pearson Chi-Square	5.386 <sup>a</sup>	4	.250		

**Source:** Field survey, 2017

The statistical value of Pearson Chi-Square test shows that there is no significant association between male and female staff of health organization regarding the Salary influences commitment to stay with the organization because the  $P = .250$  which is greater than .05 significant level. It indicates that there is no any variation in experiences of employee that salary makes them to stay in organization.

Previous lecture conducted in South Africa in total 145 respondents, Salary package significantly influenced retention in the public sector at a Chi-square value of  $X^2(4) = 22.99$  and an associated p-value of 0.00. The variable had a Chi-square value of  $X^2(4) = 4.03$  and an associated p value of 0.25 in the private sector meaning that the variable did not have any significant influence on retention (Samue & Chipunza, 2009). That means private organization is unable to retain employee but in context of Nepal result is different.

### 3.5 Reward Systems

Rewards are very important because it's have enduring impression on employees and support the perception of employee's that they are valued (Silbert, 2005)The main purpose of performance evaluation is to reward the employees. If they have performed better than the standards they are positively rewarded or positive reinforcement is exercised (S.Saiyadain, 2003). So in the context of questioner this question results take place.

In total, 10% of respondents were strongly disagree followed by 16.7% respondents were disagree that organization has not proper reward systems in Nepalese context .similarly, 33.3% respondents were agreed followed by 3.3% were strongly agreed, 36.7% were neutral. In single sentences, it is found that more than 36% respondents were not ready to answer about organization reward system

Table 5: Gender perspective on reward system

			Gender		Total
			Male	Female	
Organization reward systems are fair to you.	Strongly Disagree	Count	0	3	3
		% of Total	0.0%	10.0%	10.0%
	Disagree	Count	3	2	5
		% of Total	10.0%	6.7%	16.7%
	Neutral	Count	5	6	11
		% of Total	16.7%	20.0%	36.7%
	Agree	Count	7	3	10
		% of Total	23.3%	10.0%	33.3%
	Strongly Agree	Count	0	1	1
		% of Total	0.0%	3.3%	3.3%
Total		Count	15	15	30
		% of Total	50.0%	50.0%	100.0%
Chi-Square Tests					
		Value	Df	Asymp. Sig. (2-sided)	
Pearson Chi-Square		5.891 <sup>a</sup>	4	.207	

**Source:** Field survey, 2017

The annual survey of Watson Wyatt on worker attitudes toward employers and workplace, work USA 2002, show the opinions of 12,750 employees at all levels of job in all large companies, on different issues of workplace including rewards (Irshad). There is distinct variation between the overall employer and employee view: 24% employees are clearly dissatisfied with the rewards program at their organizations while 20% employees are unsure, whereas 65% employers are satisfied with their total rewards program (EY Rewards Survey 2016, 2016). In the context of Nepal more than 62% of respondents are unclear or disagree regarding reward system.

The statistical value of Pearson Chi-Square test shows that there is no significant association between male and female staff of health organization regarding the Rewards system of organization because the  $P = .207$  which is greater than .05 significant level. It indicates that there is no any variation in experiences of employee about the Rewards system provided to male and female staffs.

### 3.6 Bonus Sharing System

Organizations need to implement new and creative ways to keep their key employees – and keep them happy. While salaries are generally staying level, more employers are focusing on bonuses as a way of motivating employees. Generally, bonus as “something in addition to what is expected or strictly due as, (a) money or an equivalent given in addition to an employee’s usual compensation; (b) a premium [as of stock] given by a corporation to a purchaser of its securities, to a promoter, or to an employee; (c) a government payment to war veterans; (d) a sum in excess of salary given an athlete for signing with a team” (McLymont, 2009). Salary is basic courses of compensation, to make effective compensation plan bonus play role as motivator.

So this variable was also tested , data show that 20% respondents are strongly disagree against the 23.3% respondents are agree that bonuses influence respondents commitment to stay with the organization. 20% are in disagree followed by 3.3% are in strongly agreed and 33.3% are in neutral. In conclusion it is clear that 70% of respondents are unhappy regarding organization bonuses structure.

Table 6: Gender perspective on bonus sharing system

			Gender		Total
			Male	Female	
The bonus sharing formula is fair to all employees.	Strongly Disagree	Count	2	4	6
		% of Total	6.7%	13.3%	20.0%
	Disagree	Count	5	1	6
		% of Total	16.7%	3.3%	20.0%
	Neutral	Count	4	6	10
		% of Total	13.3%	20.0%	33.3%
	Agree	Count	3	4	7
		% of Total	10.0%	13.3%	23.3%
	Strongly Agree	Count	1	0	1
		% of Total	3.3%	0.0%	3.3%
Total		Count	15	15	30
		% of Total	50.0%	50.0%	100.0%
Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)		
Pearson Chi-Square	4.876 <sup>a</sup>	4	.300		

Source: Field survey, 2017

The result is found somehow similar with the previous study conducted at Kenya among 102 respondents who believed that bonus sharing system at the bank had a mean of 3.08, and SD of 1.208. The finding of Kenya, mean value 3.08 is more close to the neutral response in 5 Point Likert’s scale and the current studies has also indicate more respondents neutral. It shows that the bonus sharing system of Nepal and Kenya somehow is similar.

The statistical value of Pearson Chi-Square test shows that there is no significant association between male and female staff of health organization regarding the bonus sharing of organization because the  $P = .300$  which is greater than .05 significant level. It indicates that there is no any variation in experiences of employee about the bonus sharing provided to male and female staffs.



### 3.7 Bonuses Influence to Stay with the Organization

44 years lady from Tamang community; local resident of Ramechhap district of Nepal shared her experiences regarding bonus saying that *“till my work experience, I am only aware about Dashain (great festival of Nepal) bonus only ones a year; not more than this I have received till data. I am not very familiar about the bonus system practiced by other national and international organization. But in my point of view, additional bonuses in a year make me more motivate and may be the same for other employee also”*.

Similarly, during questionnaire survey 20% respondents are strongly disagreed against the 6.7% respondents are agreed that bonuses influence respondents' commitment to stay with the organization. 23.3% are in disagree followed by 50% are in neutral. From this data more than 90% respondents who are working in rural areas in Health organization of Nepal are even not motivated through bonus system i.e. requirement of advance bonus system to increase performance or to retain them.

Table 7: Influence of Bonus to stay in organization

			Gender		Total
			Male	Female	
Bonuses influence your commitment to stay with the organization.	Strongly Disagree	Count	1	5	6
		% of Total	3.3%	16.7%	20.0%
	Disagree	Count	3	4	7
		% of Total	10.0%	13.3%	23.3%
	Neutral	Count	9	6	15
		% of Total	30.0%	20.0%	50.0%
	Agree	Count	2	0	2
		% of Total	6.7%	0.0%	6.7%
Total		Count	15	15	30
		% of Total	50.0%	50.0%	100.0%
Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)		
Pearson Chi-Square	5.410 <sup>a</sup>	3	.144		

**Source:** Field survey, 2017

In previous literatures; not only incensement in salary make employee to stay in organization but bonus also play vital role. Study conduct at Nigeria between July-December 2014, “Bonus has positive impact on employee performance and retention” is also accepted based on the regression coefficient value of 0.22, which is positively significant (Omotayo Adewale OSIBANJO, 2014). Literatures suggest bonus play positive impact on employee performance and retention in the context of Nepal bonus in not well practice.

Thought there was no significant association ( $p=.144$ ; it is greater than .05) found between respondents on their perception regarding his/her Bonuses influence your commitment to stay with the organization. Data show there is no genders discrimination in related to bonus influences respondents to stay within the organization although majority respondents were not motivated through bonus.

## Conclusion

From the study, it was found that there was no variation in the perspective of male and female employee regarding the various system of compensation of health organization working in Ramechhap district of Nepal. The result shows that employees are satisfied in term of salary structure designed by the organization but they were not fully satisfied from the current payment system as their experiences, qualification, work load, geographical complexity of working area and market expenditure for basic needs. It seems to increase the current salary for those employees who are working in hard to reach areas with various workloads as compare to the inflation rate of market. Monthly salary is one important source of motivation for the employee so it should be designed on the context of working areas. There was no discrimination in salary payment system between the male and female so no any gender based variation was reported during the study which indicates the positive result from the gender perspective. In addition, employees are not satisfied with rewards and bonus system of the organization. Rewards and bonus are also required to update for the betterment in performance and to retain employee.

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