

Compensation and Welfare Management to Develop the Rajabhat University's Employees in Thailand

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ABSTRACT

The objective of this research is to study the problem condition for the compensation and welfare management to develop the Rajabhat University's employees in Thailand including providing the guidelines for the fair compensation and welfare management for the academic employees of Rajabhat Universities in Bangkok areas. This is the mix-method research based on the qualitative-driven core component and be supplemented by the simultaneous QUAL + quan. For the data collection from the in-depth interview, there were 30 key informants and 10 university employees participating in the focus group discussion. For the quantitative data collection, the questionnaires were collected from the sample group of 215 university employees. The study found that the problem of compensation and welfare management of the Rajabhat University's academic employees in Thailand also had different and varied practices in each university. There is no clear common standard for managing compensation and welfare. With the limitations in interpretation, the implementation of policies towards practices following the values of each organization is related to the strategy and policy formulation of the organizations. For the fair guidelines on the compensation and welfare management, the policy measure is that the main responsible body should appropriately and clearly stipulate the common standard for compensation and welfare of university employees. The necessary and important management policy is to educate and clarify about the compensation and welfare of university employees that are fair according to the principles of good management.

Keywords

Compensation and Welfare, Rajabhat University's employees

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Introduction

Universities are the institutes of higher education that provide public services to people. The personnel in higher education institutes act as public service providers for the government. The university's academic employees are considered the important factors for the teaching, research, and development of the universities. Thus, the university's employees are the key assets to the university's competitive performance (Erasmus, Grobler, & Van Niekerk, 2015; Jermisittiparsert & Sommanawat, 2019).

In addition, the adaptation to the changing world situation is also an important factor affecting the changes. The higher education institutes have redefined the roles of certain types of works and have expanded the careers (Asavisanu & Mhunpiew, 2014). Despite the reform has been conducted, the higher education institutes still lack human resources who are skilled, knowledgeable, and qualified. This can be seen from the growth in the Thai economy with the limitation in labor skills. Approximately 33% of Thai universities experience a shortage of skilled workers in their faculties (Yilmaz, 2010).

There are also the problems of quality of Thai higher education institutes and the failure of Thai education policy. The higher education institutes are criticized for producing the graduates that are inconsistent with the demands of the labor market. They lack professional knowledge and skills. There is also the lack of manpower as teachers in higher education institutes. Therefore, the government has a policy to reform the public higher education institutes to become autonomous universities with 4 main principles; 1) Independence in organizing, 2) Academic independence, 3) Managerial independence, and 4) Financial independence. However, they are under the good governance in

formulating the regulations and guidelines for general affairs of the universities (Suraphon Nitikraiphon: 2016).

The compensation management is one of the strategies used as a criterion for the success of the organizations. The Cabinet Resolution of 1999 approved the employment of university employees to replace civil servants and the wages payment was set at the current rate plus a 70 percent increase of the first rate or 1.7 times for the teaching line and 1.5 times for the support line to promote human resource management processes from recruiting, maintaining, and developing the smart, good, and talented people. It also promoted the path of progress of personnel in various forms suitable for their roles, responsibilities, and results of their work (equal pay for equal work). This also caused the personnel to feel proud and honorable in society. They will have a chance to progress and have a good quality of life. In addition, the compensation and welfare also reflect the dignity, professional stability, and governance in management. The university's academic employees are very important factors for the development of educational quality and standards. Without proper protection and compensation and welfare management, the efficiency and effectiveness of the university's operations will be affected as same as the educational management processes to produce the graduates with potential and quality. The produced graduates can be provided with knowledge and potential ready for competition in an international level.

However, throughout the past 20 years since the Cabinet Resolution in 1999 approved the employment of university employees to reduce the number of civil servants and reduce the amount of the budget, the university employees are paid at the current rate plus an additional 70% of the first rate or 1.7 times for the teaching line and 1.5 times for the support line. The university employees neither have welfare nor pension equivalent to government officials. However, the

found problems are; 1) the compensation system problem that some universities have partially deducted money resulting in university employees not receiving the full salary set by the Cabinet, 2) the problem of employment contract system, 3) the problem of welfare and benefit system with the injustice and inequality in the administration of each higher education institute resulting in the prosecution of several administrative courts such as Chiang Mai Rajabhat University, Kasetsart University, Thonburi Rajabhat University, Mahasarakham University, and Buriram Rajabhat University, etc. (Vijit Srisaan, 2015; Sumit Suwan, 2009), especially in implementing the compensation policy that may cause errors. The litigation possibly occurs due to the violations of law and ethics, fairness and good governance which affect the image and morale. From this reason, what needs to be realized is the communication that creates understanding for personnel which is known as a very important risk management approach.

Regarding the compensation and welfare management for the Rajabhat University's academic employees, it is therefore important to study the state of operational problems. This will lead to the development of compensation and welfare management guidelines for Rajabhat University's academic employees in accordance with the merit system leading to the career stability as well as good quality of life in operational performance. This affects the efficiency and effectiveness in the development of higher education institutes.

Literature Review

Compensation

The compensation is to create the motivation and to maintain good people. It represents a choice between the subject and the beneficiary of the act. It is also important to human resource management. Many academicians studied the compensation and welfare management, for example, Milkovich, Newman and Gerhart (2011), Armstrong (2010), Kuo, Ho, Lin and Kai (2010), Pascoe, Ali, and Warne (2002) and Nissadarn Vejayanon (2001). From processing the definitions of compensation, it can be concluded that compensation is all forms of remuneration that employees receive, both monetary and non-monetary, called Total Compensation. It is divided into 2 types; (1) Financial Compensation divided into 2 types; 1) Direct Financial Compensation which is based on what employees work as wage, salary, bonus, commission, and 2) Indirect Financial Compensation that employees receive apart from the direct compensation such as health insurance, life and accident insurance, medical expenses, social security, child education allowance, wages paid on leave, etc. and (2) Nonfinancial Compensation referring to items, benefits or services that employers provide to employees to facilitate the work and make employees satisfied from working in the employer's organization or business which is divided into 2 types; 1) Job and 2) Job Environment (Mondy and Noe, 2005).

By considering the Total Returns, it is related to case compensation and benefits, known as Total Compensation and Relational Returns which are the viewpoints of psychologists such as Recognition & Status, Employment Security, Challenging Work, and Learning Opportunity by categorizing the compensation as follows.

Compensation stipulation strategies

The goal of Compensation Management is to set the fair and equitable compensation connected by organizational values which is related to the strategy and policy formulation of the organizations. By organizing a compensation structure, the employees who perform better will receive more compensation than the average performing employee. In addition, the compensation management is a good way to develop the relationships in the employment (Armstrong, 2005) leading to the success of the organization management. The organization's compensation structure design can promote and encourage the personnel to develop products of the organization in relation to the design, implementation, and maintenance with 3 approaches to formulate compensation management strategies as follows.

1) Universal Model of Compensation

The goal is to seek the management approaches for High Performance Work Practices) (Pfeffer, 1994) mainly considering the work performance. This is correspondent with the "AMO Theory" of Boxall and Purcell (2007). A refers to Ability. M refers to Motivation. O refers to Opportunity. The approaches for the formulation of compensation are explained that the good people management system must provide opportunities and incentives for personnel to show their ability to drive performance. Thus, if an organization wants better performance and more than other organizations, it must pay high and must give personnel opportunities to show their potential. It is also consistent with Vroom's Expectancy Theory which believes that compensation is a tool that encourages employees to conduct desirable organizational behaviors (Locke, and Latham, 1990). Besides, the Equity Theory of Adam describing that the employees compare compensation to their workload, skills, experience and efforts with others in the organization who are in the same positions or function similar to their own (Noe, Hollenbeck, Gerhart and Wright, 2000).

2) Contingency /Fit Model of Compensation

The compensation management considers the situation or suitability of each organization. This depends on the design of the compensation system that aligns with the organization context. It starts from the compensation policy of the organization and the techniques involved in the compensation payment to provide higher and fair compensation with the acceptance and ethical standards. It is found that the organization has the same principles in formulating the compensation policy. However, there are different guidelines depending on the vision of the executives, business goals, strategic plan of the organization in human resource management including the values of people in the organization and the cultural dimensions of people in each country. Nevertheless, the compensation policy is concerned with the emphasis on the management approach, especially in communicating with personnel, to achieve a consistent understanding of the terms of compensation between payer and payee (Milkovich, Newman and Gerhart, 2011).

3) Mixed compensation strategic approach

It is the compensation formulation which is mixed between Universal Model of Compensation and Contingency /Fit

Model of Compensation. The objective of the compensation payment is to promote competitiveness and results or performance that the employees deliver to the organization by creating the coherence between the compensation and the Human Resource work. It is also in accordance with the strategy for organizational development. It should also consider the performance of employees. The mixed approach considers the performance-based compensation which is based on the Universal Model of Compensation (Chenevert and Tremblay, 2011).

According to the aforementioned ideas of academicians, the relevant concepts of compensation and welfare affect the employee incentives and engagement creation whether in the forms of salary or activities that promotes good quality of life with work. The crucial objective is to build morale and encouragement for employees to be able to devote their physical and mental energy to their full potential. Therefore, promoting a balance between quality of life and work is something that the organization has to pay for as well as providing other welfares even if it is not the direct payment like a salary or incentive compensation.

Methodology

This study is the mixed methods research using the qualitative-driven core component or QUAL + quan method design to design the concurrent procedure. The main feature of the study is the use of qualitative studies along with the quantitative study. However, the qualitative approach is the key to find the answer. This is supplemented by the simultaneous QUAL + quan. The data analysis is separated partly. The integration will take place in the data interpretation (Creswell, 2007) to further enhancing the explanation of the phenomenon (Morse and Niehaus, 2009). For the qualitative research, the documentary research was used. Besides, there was also the field research to obtain the in-depth data using the technics such as 1) In-depth interview. The key informants were purposively selected using the snowball method for totaling 30 persons. The key informants had the direct knowledge and experience in this matter. They were in the position to be the best informers on the subject to study the conditions, problems, obstacles and opinions on compensation and welfare of Rajabhat University's academic employees. This included the recommendations on compensation and welfare for Rajabhat University's academic employees. It consisted of policy makers, namely, the President of the University Council and the Rector. Those who implemented the policy were the directors related to the human resource management and the university's academic employees as well as the academicians and experts with the group discussion of 10 university employees. In addition, the data was examined with the Triangulation (Denzin, 1989) to obtain the most accurate and reliable information to be analyzed as conclusion (Berg, 2001).

Meanwhile, for the quantitative research, the data was collected using questionnaires on the university employees using Stratified Sampling. 215 questionnaires were collected and SPSS for Windows package program was used for data analysis on operating conditions and opinions on compensation and welfare. The recommendations were proposed for developing fair compensation and welfare

management approaches using the Descriptive statistics including the frequency distribution, percentage distribution, Mean, and Standard Deviation. The combination of of qualitative and quantitative study results took place in the process of discussion of the study results using quantitative data to enhance the elucidation of the qualitative data to be clearer.

Results And Discussion

Operating conditions and opinions on compensation and welfare of Rajabhat University's academic employees

Regarding the results of the study on the operational conditions and opinions on the compensation and welfare management of Rajabhat University's academic employees in the overall picture, the data was analyzed by finding the Mean and Standard Deviation which can be summarized as follows.

1) General Information

The results of the study on general information of the sample group and the characteristics of personal factors of the questionnaire respondents using the frequency distribution and percentages found that most of the status was unmarried status for 152 persons representing 70.70%. The master's degree education was for 162 persons representing 75.30%. The teacher position was for 176 persons representing 81.90%. The type of employment with the national budget was for 188 persons representing 87.40%. The type of employment contracts for more than 3-5 years was for 77 persons representing 35.80%. Meanwhile, the working duration for 3-5 years was for 76 persons representing 35.30%.

2) Levels of opinions on the compensation and welfare management of Rajabhat University's academic employees

The results of the study on the levels of opinions on the compensation and welfare management of Rajabhat University's academic employees as a whole revealed to be at the moderate level ($\bar{X}=3.40$, S.D.=1.10). When considering individually, it was found that the most was the stability and career advancement which was at a high level ($\bar{X}=3.51$, S.D. = 1.03), followed by the employment contracts at the moderate level ($\bar{X}=3.44$, S.D. = 1.10). The compensation was at the moderate level ($\bar{X}=3.35$, S.D. = 1.17). The generosity was at the moderate level ($\bar{X}=3.31$, S.D. 1.15). The least was the welfare in the moderate level ($\bar{X}=3.30$, S.D. = 1.19). The results of the study reflected the problem of compensation management that the university policymakers should improve the management structure and the compensation management pattern to increase the rewards for transparency and motivate university's employees. The additional compensation management structure was in accordance with the Cabinet's resolution for fair compensation management. It could maintain and motivate good and talented employees to have greater engagement with the organization. This is consistent with the results of Sriyakul, Umam and Jermsittiparsert (2019) studying the impact of work attributes on the engagement among university's employees in Thailand. It was found that

the work attributes influenced the engagement formation of employees which was the progress of the organization. This included building a good relationship between employees and supervisors based on policy formulation applied to employee's retention of the organization. Thus, the importance of employee engagement is the progress of the organization. This is an image directed by the results of studies conducted by Jarinto, Jermstittiparsert, & Chienwattanasook (20019) which was conducted in Thai higher education institutes and the study of Siriattakul, Jermstittiparsert, & Abdurrahman (2019) which was conducted in the higher education institutes of Indonesia.

In addition, Herzberg's Two Factor Theory (1959) explained that the Hygiene Factor of wages and salaries influenced the job satisfaction. This was correspondent with the theory of equality of J. Stacy Adams (1979) describing the reward of return which were the input and output factors. The input factors were the properties of the persons for the work, educational level, skills, seniority, effort, and work devotion. The output factors were various rewards that the persons would have to earn such as salary, other income, social acceptance, and promotion.

As a result, the management on the compensation and welfare system must be incentivized to motivate people to want to do the job and hope to receive a reward that is worthwhile and fair as needed. This is in line with the popular theory of motivation, Maslow's Theory of Hierarchy of Needs (1970), which assumes that all human beings have five hierarchical needs from lowest to highest. The lowest is the physical need. The safety need can be responded easily compared to the compensation and welfare system management. Thus, the reason why people will be satisfied or dissatisfied in their performance depends on various factors that respond to human needs. Compensation and benefits are essential to the employee's performance and the employees are deserved apart from normal salary and wages.

From the in-depth interview to reflect opinions of university's academic employees about the problem of operation on the compensation and welfare of Rajabhat University's employees, it was found that 1) compensation and welfare were varied and differed according to the context of each university, 2) most university employees did not receive wages at the current rate plus a 70% increase of the first rate or 1.7 times according to the Cabinet Resolution, 3) The welfare and benefits system was inferior to the civil servants, for example, not receiving 1 times more compensation for academic positions. The appropriate compensation and welfare management approaches can be described. For the 1st approach in the wages, the universities should pay wages at a rate of 1.7 times according to the Cabinet resolution. The university can deduct some money for welfare. This is consistent with a compensation strategy that is the mixture between the Universal Model of Compensation and Contingency / Fit Model of Compensation. The objective of compensation payment is to promote competitiveness and results or performance that the employees deliver to the organization by creating the coherence between the compensation and the Human Resource work. This is in accordance with the strategy for organizational development including considering the performance of the employees. The mixed approach

considers the performance-based compensation which is the payment based on the Universal Model of Compensation (Chenevert and Tremblay, 2011).

For the 2nd approach on welfare, the welfare was proposed to be organized in relation to medical treatment in the form of establishing a reserve fund for medical treatment or have group health insurance for university employees. The benefit model that allocates benefit groups in a form that can be selected according to the needs of the employee is consistent with Nazir et al (2012) describing the concept as a benefit that allows members to choose in life insurance nature, car insurance, education without additional taxation. Therefore, this approach is flexible welfare allocation with more options. The employees can adjust the benefits between the received benefits and other benefits that are in the same benefit group. For example, some employees who do not need the right to make medical disbursements can bring the benefits to increase their own financial amount of medical cost. This can attract the opportunities in receiving the benefits. The model of welfare can be increased in the form of flexibility. This agrees with the idea of Armstrong (2010) stating that A system of total rewards allows flexibility to meet individual needs as relational rewards binds employees more strongly to the organization as Relational reward.

When considering the major factors affecting the compensation management measure, the fairness in management is the university administrators due to the roles and duties in the management proposed to the University Council for consideration in accordance with Cabinet Resolution of 1999, Civil Service Regulations Act in higher education institutes, Civil Service Regulations in Higher Education Institutes, the found problem is that "the administrators are civil servants" who still do not understand the context of the university employees resulting in the different view of "University's employees". It is consistent with the research of Aree Phasansindhawong (2020) finding that the success factors of promoting the compatibility of the labour relations system and human resource management, are consisted of political, cultural, organizational, economic, technological, organizational factors, and the influence of the International Labour Organizations's standards. However, the leadership factors and a political support have been mentioned more than the other factors.

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