

DETERMINING THE EFFECT OF FINANCIAL AND MORAL INCENTIVES ON JOB SATISFACTION OF TEACHERS AT HIGHER EDUCATION INSTITUTES

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ARTICLE INFO	ABSTRACT
<p><i>Article History:</i> Received: Oct 11, 2021 Revised: Nov 29, 2021 Accepted: Dec 20, 2021 Available Online: Jan 5, 2022</p> <hr/> <p><i>Keywords:</i> Financial Incentives, Moral Incentives, Job Satisfaction, Higher Education Institutes</p> <hr/> <p><i>JEL Classification:</i> M120,</p>	<p>One of the main objectives of this study is to determine the empirical effect of financial and moral incentives on job satisfaction of teachers at higher education institutes. Financial incentives are monetary or tangible in form; two main financial types of incentives included in the study are promotion and group insurance. Moral incentives are non-monetary or intangible in nature; two main types of moral incentives are also included in the study, i-e Achievement and Recognition as well as Growth. Job satisfaction is considered as dependent variable in the study. Research instrument used to collect primary data was closed ended questionnaire which was adopted from previous relevant research studies. Primary data was collected from one hundred teachers working in three different universities located in Jamshoro city, Sindh. Data was analyzed using different statistical techniques like Cronbach alpha, Descriptive Statistics, Mean, Standard Deviation, Skewness and Kurtosis, Correlation Coefficient R and Structured Equation Modeling. All results of Descriptive statistics, correlation analysis, and Factor loadings, T statistics and P values of Structured Equation Modeling shown positive and significant effect of financial and moral incentives on job satisfaction of teachers. Only one hypothesis related to one of the moral incentives, Growth, is rejected, all other hypotheses are accepted. This research study concludes positive and significant effect of three incentives, two financial incentives i-e Promotion and Group Insurance, and one moral incentive i-e Achievement and Recognition on job satisfaction of teachers. Findings of research studies are practical guidance for top management of higher education institutes to increase job satisfaction and devise attractive incentives policy for teachers. It is also a valuable guidance for other private higher education institutes to increase job satisfaction of teachers as the proposed study only covers three largest and well recognized public sector universities of the country</p>

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1. INTRODUCTION

1.1 Background of the Study

Twenty first century creates business atmosphere in the world which is an epicentre of cutthroat competition coupled with providing magnanimous growth opportunities and diverse challenges. The challenges facing by organizations are external and internal in nature, internal challenges are associated with employees of the corporation pertains to retain and motivate them so they stay committed with organization. The organizations perform better if employees are self motivated to work with interest and commitment. Incentives given to employees can improve their performance and make them motivated enough to work more as employees believe their efforts will be rewarded in just and judicious manner. Business organizations need to organize integrated incentive system which commensurate with quality work, cost reduction and increasing knowledge which will help organizations to achieve their desired goals in effective manner (Lucas et al, 2016). (Chepkimoi, 2018) explained that firms' productivity can be determined by the individual's ability to work, employees can perform better as they believe their contributed efforts will be rewarded and incentivized in satisfied manner. Incentives can be intrinsic and extrinsic in nature, intrinsic rewards are intangible in nature and extrinsic rewards are tangible in nature, both affect the performance of employees which will ultimately affect the performance of organization. The organizational

productivity can be improved if employees perform better therefore both intrinsic and extrinsic incentives are very important to be given to drive their efforts and ultimately reward them appropriately. (Abuhashesh, et al, 2019) discussed that few individuals consider their job as important part of their lives however others connect it with monetary returns as well as social status. Therefore it is important to have job which is based on employee's personal interest and satisfaction. Employees feel more satisfied if job brings happiness and peace of mind and a balance between personal and family life. Job satisfaction of an employee describes his attitude, perception and feeling about a particular job and organization. (Zaraket & Saber, 2017) elaborated that job satisfaction of employees show more advantages for the organization including low turnover, good performance, punctuality, increasing morale of employees and reducing cost of inducting new employees and train them. (Qader, 2021) discussed that Incentives give an avenue for outstanding performance which motivate employees. Ultimately employees show their desired behaviour to work with same organization. (Ali et al, 2016) further elaborated that incentives, either in tangible or intangible form motivate employees to perform better. As the motivation of employees increased, it is great supplement to job satisfaction.

1.2 Research objectives

The main objective of this research is to study the effect of financial and moral incentives on job satisfaction of teachers. As incentives are monetary as well as non monetary in nature, both have positive and significant effect on the job satisfaction of employees.

1.3 Research questions

1. Are financial and moral incentives correlated with job satisfaction?
2. Do financial and moral incentives positively and significantly affect job satisfaction of teachers?

2. REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

Theoretical Background

Expectancy Theory

(Robbins & Coutler, 2016) explained Expectancy Theory authored by Victor Vroom stated that behaviour is a function of its consequences. Employees believe their efforts will be rewarded in just and judicious manner for which they act or perform in way as expected or desired by their managers or employer. Main feature of this theory states that what perceived benefits a job offer to an employee? As outcomes or reward structure includes multiple benefits in the form of salary, job security, co-workers attitude, fringe benefits and opportunity for an employee to best utilize his acquired skills to achieve organizational objectives. Second feature of this theory is, are these rewards attractive for an employee? Rewards can become attractive or not in three possible ways; positive, negative or neutral. An employee who is happy and satisfied enough with a kind of incentives might be dissatisfied with another low paid incentive. It depends on needs, attitudes and personality of each employee. Third and last feature of expectancy theory is, does employee perform in a way actually expected? Managers communicate SOP's and guidelines for good performance and suggest different ways to complete assigned tasks in adequate manner. How does each employee complete his assigned tasks after receiving all guidelines and directions of their superiors? Expectancy theory is based on effort-performance linkage, instrumentality and valence of rewards which not only perceive by employee but expect support of employer to avail these benefits as return of their efforts.

Herzberg Hygiene Motivator's theory

(Robbins & Coutler, 2016) discussed Two factor theory authored by Herzberg proposes that factors like achievement and recognition, growth, advancement also known as intrinsic factors increase job satisfaction of employees. However extrinsic factors are related to job dissatisfaction. Motivating factors make employees feel better at workplace and show positive attitude towards job and employer. Herzberg didn't believe removing hygiene factors would motivate employees more but hygiene factors in comparison to motivating factors give dissatisfaction. If employer truly wants to motivate its employees then motivating factors must be considered and incorporated in corporate culture.

2.1 Concept of Financial Incentives

Financial incentives are rewards or a form of direct compensation to employees as outcome of their extraordinary performance. Financial incentives are part of compensation packages of employees which are not paid on seniority basis but on performance basis (Novianty & Evita, 2018). These incentives are given in monetary form which can meet financial needs of the employees, aim is to increase work efficiency and motivate employees to perform better. Incentives motivate employees to exert more efforts at work to achieve set targets in due time (Al Tamimi, 2018). There are different types of financial incentives given to employees in the form of money, discussed by (Sukanta & Kepramareni, 2018) that include bonus, profit sharing, commissions and others. Employees contribute earned skills and expertise to company for achieving assigned objectives effectively in return organization promise attractive incentives and benefits paid in the monetary form to employees whose performance meet or exceed standards. As employees noticed judicious mechanism of rewarding employees based on performance, it increases job satisfaction.

2.1.1 Promotion as Financial Incentive

(Razak et al, 2018) discussed that promotion is one of the important financial incentives which not only ensures placement of right person on right job but also incite top leaders and executives to devise a policy which motivate subordinates to perform better and develop their careers. Promotion is movement from one assigned position to another position involves more responsibilities and increased authority. As the role of employee increases based on his abilities and achievements, same employee gain trust of top management to work with more efforts and interest.

2.1.2 Group Insurance as Financial Incentive

Financial incentives not only give benefit to employees but also maximize their job satisfaction. Tax summaries (2021) narrated group insurance as insurance coverage provides by employer on large scale entity to the group of employees. The purpose is to grant benefit or premium to all the employees equally. However few organizations distribute benefits based on designation of employees and it varies based on designation. Most of the companies provide group insurance to their employees as part of their employee welfare programs.

2.2 Concept of Moral Incentives

Other than tangible incentives there are few intangible incentives which are non monetary in nature but do effect job satisfaction level of employees. In this context (Lucas et al, 2016) discussed that moral incentives make employee to behave in particular way that is more acceptable in organizational norms and values. Well maintained behaviour makes an employee admirable and agreeable which elevate his level of respect or fulfill his self esteem need in the organization. Moral incentives are form of psychological needs by which employer grants privilege to employee to take part in decision making and receive appreciation of heads for satisfied work done. These incentives provide good opportunity to employees for gaining recognition at their workplace, avail chances for growth based on innovative thoughts and meaningful use of cognitive abilities in finding solution of problems. This sizable contribution of employee in achieving set goals and high degree of involvement in his assigned job make him nominated for winning the title of honorary employee of the year. This recognition and entitlement enhances satisfaction level of employee towards his job and more commitment to continue working with same organization for decades. (Al-Qudah, 2016) stated that Moral incentives are non monetary in form but these are associated with giving consideration to employees needs, respecting them and caring their hopes and feelings. Four important aspects to be considered in granting moral incentives, i-e recognition and appreciation of the performance of employees by awarding them certificates for appreciation, medals and complimentary remarks on successful achievement of goals. Second, relationship of employee with top management should not only be better but based on mutual trust and confidence too. Third, Involvement of employees in the decision making activities of the corporation and forth is functioning of teamwork approach.

2.2.1 Job Satisfaction

It is imperative to know satisfaction level of employees in their jobs, (Abuhashesh, et al, 2019) discussed that job satisfaction is an opinion of employees towards their employer. The way employees think about their organization and the point where they achieve something in their assigned jobs show emotional state lead to satisfaction. There are various factors affect job satisfaction level of employees including payment, working hours, flexibility and benefits. It may vary from one organization to another organization. Job satisfaction is dependent on two important factors; emotional and behavioral. Emotional factors are feelings of employees in relation to job performance that may result happiness, anxiety, stress etc. Behavioral factors are associated with compliance of organizational working requirements include early arrival, working more than assigned hours as well as illness factor related to avoiding work etc. (Sree & Satyavathi, 2017) discussed that job satisfaction is related with emotional state of employees as a result of roles and responsibilities perform in the particular organization. Satisfaction of employee's in their respective job result in motivation and optimism to continue working with that organization. It is further elaborated that job satisfaction is the integrated approach of physiological, psychological and environmental factors that develop attitude of employee, either positive or negative, towards employer. Employees who are dissatisfied with their work may undergo workplace anxiety, deprived of participation in decision making and unsafe working conditions. Employer also become unhappy with unsatisfied employee because of poor performance and not achieving set goals of the corporation.

Financial Incentives and Job Satisfaction:

(Khan et al, 2020) discussed that salary, wages and monetary payments in the form of commission have positive and significant effect on employees' performance. Employees are very much committed with their jobs and they are satisfied and motivated enough in return of receiving substantial monetary rewards. These incentives are imperative to gain loyalty of employees so organizations should give them sufficient incentives which make them satisfied in their jobs. Monetary incentives are given to employees on the basis of achieved results, organizations give different objectives and each employee performs his best to achieve desired results.

Moral Incentives and Job Satisfaction:

Intangible incentives have direct, positive and significant effect on job satisfaction of employees. (Abdullah & Wan, 2013) discussed that seventy percent of organizations preferably give intrinsic incentives to employees for maximizing their job satisfaction. Findings revealed positive correlation of non tangible rewards with employees' performance. Incentives like recognition, employees' autonomy and self determination should be part of employer's compensation plan which makes employees feel honoured at workplace that increases their job satisfaction.

Based on above literature studies, Hypotheses for proposed research study are discussed as;

2.3 Research Hypotheses

H1 Financial Incentives have positive and significant effect on job satisfaction of teachers.

H1A Promotion has positive and significant effect on job satisfaction of teachers.

H1B Group Insurance has positive and significant effect on job satisfaction of teachers.

H2 Moral Incentives have positive and significant effect on job satisfaction of teachers.

H2A Achievement and Recognition has positive and significant effect on job satisfaction of teachers.

H2B Growth has positive and significant effect on job satisfaction of teachers

2.4 Theoretical framework

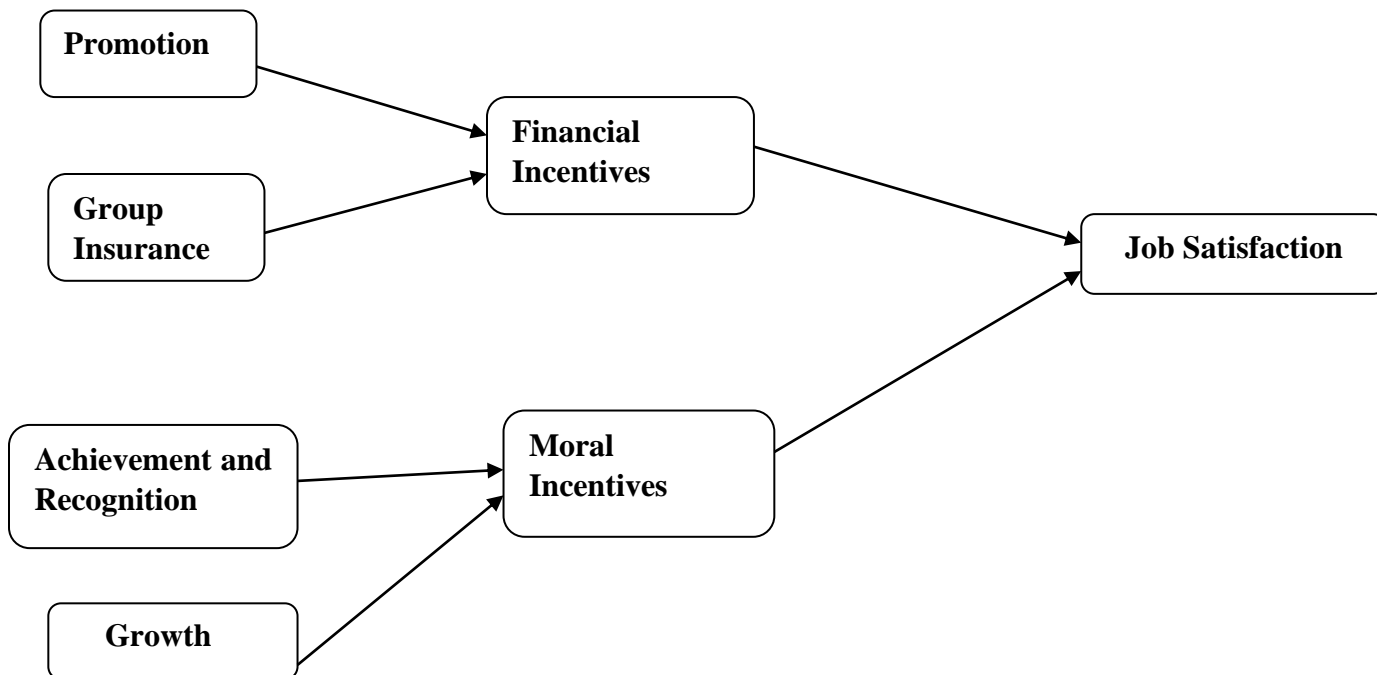


Fig.1

3. RESEARCH METHODOLOGY

3.1 Sources of data and Research Instrument

This research study is conducted using two main types of data; Primary and Secondary. Primary data is collected through closed ended questionnaire comprised of twenty nine items. Three factors of financial incentives are included in the research studies; Promotion and Group Insurance. Four items of each factor have been adopted. Two variables of Moral incentives are included in the research study; Achievement and recognition in which five items were adopted, and growth for which four items were adopted. Job satisfaction which is included as dependent variable in the research study, twelve items was adopted. Secondary data was collected from the published records of the universities as well as relevant literature cited in the study.

For each dependent and independent variables included in the proposed research studies for which items were adopted, sources or references are mentioned below.

Table 1. Variables and Items Adopted

S. No	Factors or Variables	No of items	Source/Reference
1	Promotion	4	(Osibanjo et al, 2014)
2	Group Insurance	4	(Osibanjo et al, 2014)
3	Achievement and Recognition	5	(Al-Qudah, 2016)
4	Growth	4	(Hoole et al, 2016)
5	Job Satisfaction	12	Dziuba et al, 2020

Scale Measurement

For demographic information of respondents, nominal scale is used to develop questions. Factors like Gender, Occupation, Age groups, Experience and Marital status dichotomous scale was used. (Hoole et al, 2016) used nominal scale to measure demographic data and collect responses.

Five points Likert scale was used to measure responses of all twenty nine items of four independent variables and one dependent variable. Eight items of two financial incentives i-e Promotion and Group Insurance, four each, measured by (Osibanjo et al, 2014) using five points likert scale comprised from strongly disagree to strongly agree. Five items of a Moral incentive i-e Achievement and Recognition measured by (Al-Qudah, 2016) using five points likert scale. Four items of growth as moral incentive measured by (Hoole et al, 2016) using five points likert scale. Last dependent variable i-e job satisfaction having twelve items adopted measured by (Dziuba et al, 2020) using five points likert scale.

3.2 Population and Sample

Using convenience sampling method, three public sector universities located in jamshoro city were taken as population frame. One hundred questionnaires were distributed among Permanent Faculty members; Lecturers, Assistant Professors, Associate Professors and Professors. Out of one hundred questionnaires; 40 were distributed among sindh university teachers and remaining 60 out of which 30 were distributed to Mehran university of Engineering and Technology and 30 to Liaquat University of Medical and Health Sciences. Preliminary data analysis is compulsory to know consistency in responses before complete data collection and analysis. For measuring internal consistency of the respondents’ feedback, first thirty questionnaires collected were analyzed through cronbach alpha.

4. DATA ANALYSIS AND RESULTS

Table 2. Frequency distribution

Demographic Factors	Frequency	Percent	Valid Percent	Cumulative Percent
Gender				
Male	66	66.0%	66.0%	66.0
Female	34	34.0%	34.0%	100
Total	100	100.0	100.0	
Occupation				
Lecturer	47	47%	47%	47
Assistant Professor	41	41%	41%	88
Associate Professor	7	7.0%	7.0%	95
Professor	5	5%	5%	100
Total	100	100	100	
Age Groups				
20 to 30 Years	27	27%	27%	27
31 to 40 Years	52	52%	52%	79
41 to 50 Years	17	17%	17%	96
51 to 60 years	4	4%	4%	100
Total	100	100	100	
Experience				
Up to 5 years	28	28%	28%	28

5 to 10 years	50	50%	50%	78
11 to 15 years	15	15%	15%	93
16 to 20 years	7	7%	7%	100
Total	100	100	100	
Marital Status				
Single	13	13%	13%	13
Married	87	87%	87%	100
Total	100	100	100	

4.2 Reliability Analysis; Cronbach Alpha

Measuring internal consistency is one of the important aspects of preliminary data analysis before proceeding for complete data analysis. First thirty questionnaires data was analyzed to see the reliability (Allan, 2012) discussed that cronbach alpha measure internal consistency among items included in the research study. Standard values of reliability analysis range from (0.93-0.94) strong (0.91-0.93), reliable (0.84-0.90), robust (0.81), relatively high (0.70-0.77), satisfactory (0.61-0.69)

Table 3. Reliability Analysis

S.No	Variable	No of items	Cronbach's Alpha	Cronbach's Alpha based on standardized items
1	Promotion	04	0.729	0.682
2	Group Insurance	04	0.747	0.723
3	Achievement and Recognition	05	0.773	0.749
4	Growth	04	0.752	0.743
5	Job Satisfaction	12	0.842	0.820

Table 2 shows alpha values of all constructs; Promotion alpha value is 0.729 means 72% internal consistency is observed show relatively high, Group Insurance alpha value is 0.747 means 74% internal consistency is seen which is also relatively high, Achievement and Recognition alpha value is 0.773 means 77% internal consistency is observed which is relatively high, Growth alpha value is 0.752 means 75% internal consistency is observed which is also relatively high. Dependent variable, job satisfaction, alpha value is 0.842 which means 84% internal consistency is observed that is strong reliable.

4.3 Descriptive Statistics

Table 4. Descriptive statistics analysis

	N	Minimum	Maximum	Mean	Std. Dev	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Promotion	100	1.00	5.00	4.4225	.64127	-1.835	7.367
Groupinsurance	100	1.00	5.00	4.3525	.69002	-1.923	6.356
AchiveandRecg	100	1.00	5.00	4.4120	.64687	-2.078	8.289
Growth	100	1.00	5.00	4.4250	.62209	-2.182	9.675
JobSatisfaction	100	1.00	5.00	4.4092	.64648	-1.947	7.541
Valid N (listwise)	100						

Above table show descriptive statistics analysis of four independent variables; Promotion, Group Insurance, Achievement and Recognition, Growth and one dependent variable; Job Satisfaction. Mean of all four independent variables and one dependent variable is above 4 which indicates majority of the respondents agreed and believe both financial and moral incentives increases their job satisfaction. Standard deviation value is very low almost below 1 in all four independent variables and one dependent variable, means data is very less deviated from its mean value. Skewness Z value is calculated when statistical value is divided with standard error, significant result is if Z is greater than -1.96 or 1.96. Skewness Z value for Promotion is -7.614 which means data is not symmetric and negatively skewed. Skewness Z value for Group insurance is -7.97 which means data is asymmetric and negatively skewed. Z value for Achievement and Recognition is -8.62 which means data is not symmetric and negatively skewed. Z value for Growth is -9.05 which means data is asymmetric and negatively skewed value for Job Satisfaction is -8.07 which means data is asymmetric and negatively skewed. Likewise Kurtosis values for all four independent variables and one dependent variable is asymmetric having peakedness.

4.4 Correlation Coefficient R

Table 5. Correlation analysis

		Promotion	Group insurance	AchiveandRecg	Growth	Job Satisfaction
Promotion	Correlation	1	.906**	.974**	.954**	.991**
	Sig. (2-tailed)		0	0	0	0
	N	100	100	100	100	100
Group insurance	Correlation	.906**	1	.922**	.889**	.943**
	Sig. (2-tailed)	0		0	0	0
	N	100	100	100	100	100
AchiveandRe cg	Correlation	.974**	.922**	1	.981**	.983**
	Sig. (2-tailed)	0	0		0	0
	N	100	100	100	100	100
Growth	Correlation	.954**	.889**	.981**	1	.960**
	Sig. (2-tailed)	0	0	0		0
	N	100	100	100	100	100
Job Satisfaction	Correlation	.991**	.943**	.983**	.960**	1
	Sig. (2-tailed)	0	0	0	0	
	N	100	100	100	100	100

Table 4 showed correlation coefficient among financial and moral incentives with employees' performance. Financial incentives; Promotion and Group Insurance show more than 90% correlation with job satisfaction. Moral incentives; Achievement and Recognition as well as Growth show more than 90% correlation with job satisfaction. Therefore all four independent variables i-e Promotion, Group Insurance, Achievement and Recognition as well as Growth, show positive and strong correlation with job satisfaction. Hypotheses 1A narrated as, Financial and moral incentives are correlated with job satisfaction, is accepted.

4.5 Structured Equation Modeling (SEM) Analysis

4.5.1 Factor Loadings

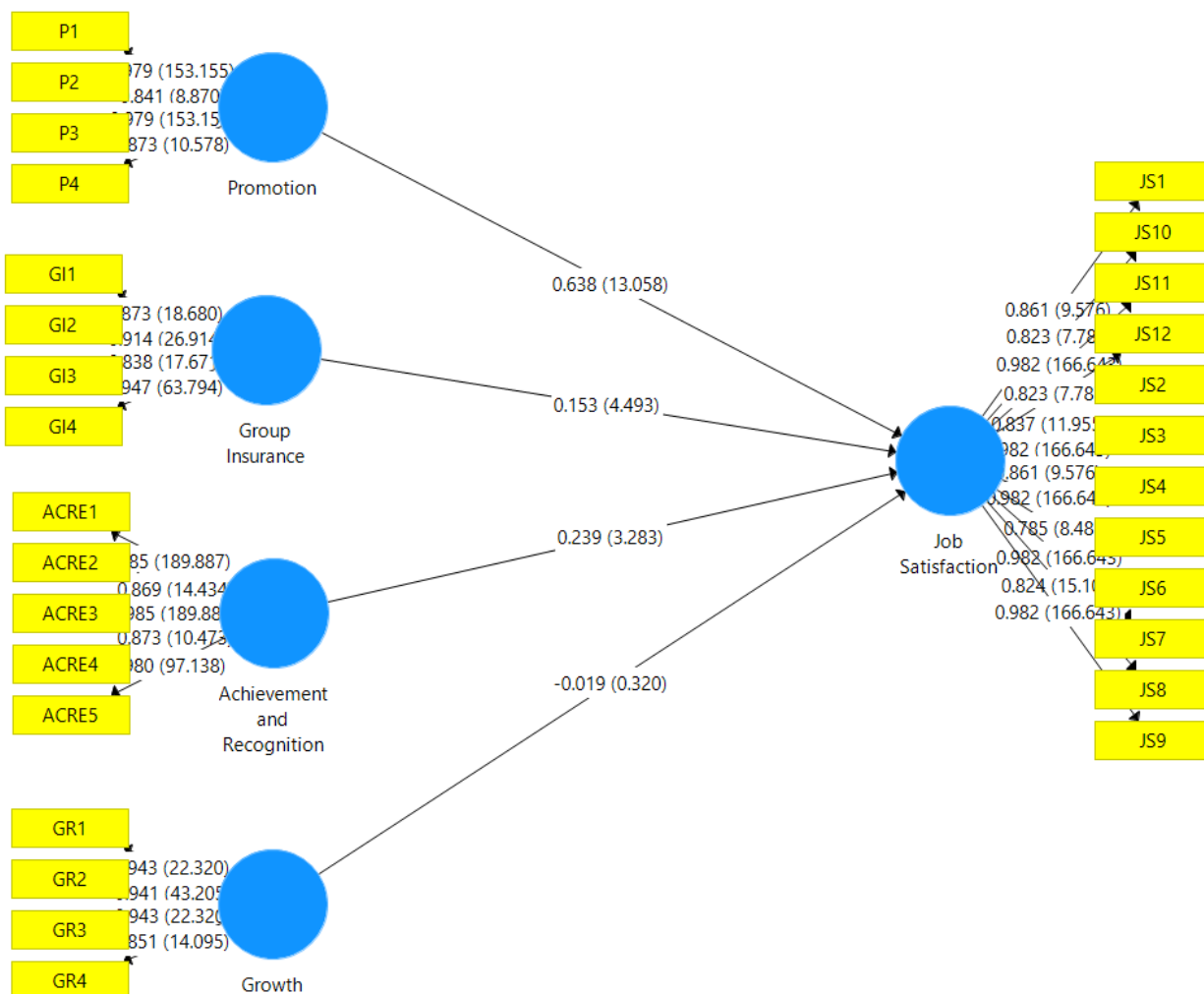


Fig.2

Factor loadings show correlations between the latent variable and its indicators. In above model four constructs of Promotion labeled as P1 to P4 are loaded with values greater than 0.7 which means four constructs show correlation with the latent variable; Promotion. All four constructs or indicators of Group Insurance labeled as GI1 to GI4 are loaded with values greater than 0.7 which means four constructs are correlated with another latent variable; Group Insurance. Five constructs of third independent variable; Achievement and Recognition labeled as ACRE1 to ACRE5 are loaded with values greater than 0.7 confirms correlation of all five indicators with third latent variable; Achievement and Recognition. Four constructs of fourth independent variable, Growth, labeled as GR1 to GR4 are loaded with values greater than 0.7 confirms validity in the data related to Growth variable.

4.5.2 T Statistics interpretation

T statistics measures the statistical significance between explanatory variables and response variable based on standard value greater than 1.96. In above path model of SEM, T Value of Promotion with job satisfaction is 13.05 which indicate promotion has positive and significant effect on job satisfaction of university teachers value of Group Insurance with job satisfaction in path model is 4.49 which confirm positive and significant effect of Group Insurance with job satisfaction of university teachers. T Value of third independent variable shown in the path model entitled as “Achievement and Recognition” is 3.28 which also indicate positive and significant relation with job satisfaction of teachers at higher education institutes. T value of fourth independent variable; Growth with job satisfaction is 0.32 which is less than standard T value 1.96 indicate no any significant effect of growth on job satisfaction of teachers at higher education institutes.

4.5.3 Average Variance Extracted

Average variance is determined by measuring the average value of all constructs loading values associated with their latent variables. It is important to know the validity of the constructs associated with their latent variables. As well as significant p values help to determine the acceptance or rejection of alternate hypotheses included in the research study.

Table 6. Average variance extracted and p values

S#	Latent Variable	No of constructs	Average Variance Extracted	P Values
1	Promotion	04	0.822	H2A: Promotion with job satisfaction: 0.000
2	Group Insurance	04	0.887	H2B: Group insurance with job satisfaction: 0.000
3	Achievement and Recognition	05	0.846	H3A: Achievement and Recognition with job satisfaction: 0.001
4	Growth	04	0.919	H3B: Growth with job satisfaction: 0.749
5	Job Satisfaction	12	0.875	

To see the values of average variance extracted, all constructs of their respective latent variables capture high amount of variance more than 80%. This show each of the latent measurable exactly measure what it intends to measure.

4.5.4 P Values (Hypotheses Accepted/Rejected)

The significant p value between promotion and job satisfaction is 0.000 which is less than 0.05, therefore H2A is accepted. The significant p value between group insurance and job satisfaction is 0.000 which is less than 0.05, therefore H2B is accepted. The significant p value between Achievement and Recognition with job satisfaction is 0.001 which is less than 0.05, therefore H3A is accepted. The significant p value between Growth with job satisfaction is 0.749 which is greater than 0.05, therefore H3B is rejected.

5. DISCUSSION & CONCLUSION

5.1 Discussion

Data analysis empirically evaluates the relationship between financial and moral incentives on job satisfaction of teachers at higher education institutes. It is pivotal to see data normality before applying major data analysis techniques; Structured Equation Modeling. Skewness and Kurtosis results confirmed that data is asymmetric; all independent variables showed negative skewness Z values, i-e Promotion -7.614, Group Insurance -7.97, Achievement and Recognition -8.62 and growth Z value -9.05. Likewise kurtosis results for all variables showed peakedness in the data. Mean value for all variables is above 4 out of 5, and standard deviation is very low

i.e below 1 which interpret observed data is very less deviated from its mean value. Later correlation coefficient was applied to know correlation of independent variables with dependent variable. First hypothesis of proposed research studies is, Financial and Moral incentives are correlated with job satisfaction, results of correlation analysis confirmed both Financial i.e Promotion and Group Insurance with values above 90% and Moral i.e Achievement and Recognition as well as growth results above 90% shown positive and strong correlation with job satisfaction. These significant results of skewness, kurtosis, mean, standard deviation and correlation endorsed by other relevant studies i.e (Al Tamimi,2018) endorsed that financial and moral incentives with their significant mean and standard deviation values do impact on job satisfaction. (Cainarca et al, 2019) also endorsed significant effect of monetary incentives on organizational performance based on significant results using different techniques of descriptive statistics. (Hoole et al, 2016) endorsed that moral incentives do have significant impact on employees' engagement.

Henceforth Structured Equation modeling was used to test path analysis and structural relations between variables included in the proposed study. Outer loadings of Financial and Moral incentives including Promotion's four indicators/constructs showed loadings above 80%, Group Insurance had four indicators/constructs showed loadings above 80%, Achievement and Recognition with five indicators/constructs and Growth with four indicators/constructs also showed loadings above 80% interpreted all constructs/indicators are strongly correlated with their respective latent variables. Job Satisfaction as a dependent variable with 12 constructs/indicators showed loadings above 80% and 90% correlated with their respective latent variable too. Later T statistics determined significance of relationship, T value between promotion and job satisfaction resulted significant, valued 13.05 greater than 1.96, Group insurance with job satisfaction was 4.49>1.96 resulted significant, Achievement and Recognition with job satisfaction was 3.28>1.96 resulted significant, Growth with job satisfaction was 0.32<1.96 resulted insignificant. To further verify the acceptance and rejection of alternate hypotheses, P values were also noted in the path model. The significant p value of promotion with job satisfaction is 0.000<0.05 Significant, Group Insurance with job satisfaction is 0.000<0.05 significant, Achievement and Recognition with job satisfaction is 0.001<0.05 significant, Growth with job satisfaction is 0.749>0.05 insignificant. Consequently three hypotheses are accepted and one is rejected. Based on significant factor loadings and probability values of financial and moral incentives with job satisfaction, various studies endorsed significant effect of financial and moral incentives too; (Al-Qudah, 2016) endorsed significant effect of financial and moral incentives on employees performance. (Erabi, 2012) endorsed that both financial and non financial incentives have significant effect on job satisfaction of employees. (Novianty et al, 2018) also endorsed that financial incentives increases motivation of employees. (Razak et al, 2018) endorsed that promotion has significant effect on job satisfaction of employees.

5.2 Conclusion

Financial and Moral Incentives do affect job satisfaction of teachers at higher education institutes. It is imperative to learn association of incentives with job satisfaction. Most of the teachers working at higher education institutes deliver quality service as a result of satisfaction in their jobs. They acquired Masters and Doctor of Philosophy degrees with the expectation that their efforts will be incentivized which increases their satisfaction and motivate them to stay committed with the organization. It is concluded that Financial Incentives i.e Promotion and Group Insurance positively and significantly effect job satisfaction of teachers at higher education institutes. (Erabi & Arat, 2012) endorsed financial incentives have positive and significant effect on job satisfaction. (Sukanta et al, 2018) endorsed that financial and non financial incentives influence on job performance of employees. (Razak et al, 2018) endorsed that financial incentives like promotion have significant effect on job satisfaction of employees.

Likewise Moral incentives also have positive and significant effect on job satisfaction of teachers at higher education institutes. Achievement and Recognition has positive and significant effect on job satisfaction of teachers but results of growth do not show any significant effect on job satisfaction of teachers. Teachers of higher education institutes do not believe that teamwork or training opportunities effect on their job satisfaction. Sabina et al,(2015) endorsed that non financial or moral incentives have positive and significant effect on job satisfaction of teachers. Higher education institutes should reward efforts and performance of teachers in fair and adequate manner because it will not only motivate them to work hard but increases their job satisfaction.

5.3 LIMITATIONS

This research study could not include other major financial incentives like Salary, Bonus, Medical allowance etc as well as other moral incentives. Other researchers can study more public and private universities of the country which could not be included in the proposed research studies. In Higher education institutes administration staff could not be included in measuring the effect of financial and moral incentives on job satisfaction of teachers. As the proposed study revealed positive and significant effect of selected financial and moral incentives on job satisfaction of teachers at higher education institutes therefore uncovered incentives and institutes would also show positive and significant effect of these incentives on job satisfaction.

5.4 PRACTICAL IMPLICATIONS

This study is a valuable guidance for Higher Education institutes of the country to know direct and significant effect of financial and moral incentives on job satisfaction of teachers. Top management always show willingness and determination to address problems of their employees and solve those with high involvement and commitment to make working environment more conducive and manageable. Findings of this research study would not only be statistical clue for the management of higher education institutes to increase job satisfaction of teacher but also help in policy framework for compensation management of employees.

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