



## The Effect of Compensation on Teacher Job Satisfaction: A Case Study of Private Undergraduate Higher Education Institutions in Guangzhou City, Guangdong Province, China

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### Abstract

This study focuses on teachers in private undergraduate colleges in Guangzhou, Guangdong Province, and studies the impact of compensation on teachers' job satisfaction. Under the guidance of equity theory, quantitative research methods were selected, and SPSS20.0 was used to perform descriptive statistics and correlation analysis on the questionnaires collected and distributed through Questionnaire Star. Through a survey of 393 faculty members, the results show that compensation has an extremely significant impact on teachers' job satisfaction, and the impact is correlated. The study also found that the current teachers' satisfaction with benefits is high, but there are significant differences among individuals. Finally, this study provides suggestions on optimizing the compensation structure, focusing on shaping a sense of fairness and personalized management, and providing countermeasures and recommendations for improving the job satisfaction and stability of the teaching staff.

**Keywords:** Teacher Job Satisfaction, Compensation, Private Higher Education Institutions

### Introduction

To further consolidate the legal status of private education and provide strong and effective legal protection, China promulgated the "Law of the People's Republic of China on Promoting Private Education" (People's Congress of the People's Republic of China, 2002). Since then, the number of private higher education institutions has increased from 300 to 789, accounting for 25.97% of the total number of higher education institutions in the country (Ji, 2008; Ministry of Education, 2024). With the vigorous development of private higher education, the number of faculty and staff engaged in it has also continued to grow. Teachers in private education also bear important social responsibilities (Bouguila,



2013), and the job satisfaction of these teachers should also be taken seriously.

Private undergraduate higher education is an important part of China's higher education (Zhou & Zhu, 2024), and it is inseparable from a high-quality teaching staff (Liu, 2024). Therefore, this study takes teachers from private undergraduate higher education institutions in Guangzhou, Guangdong Province as the research object to explore the impact of compensation on teacher job satisfaction. It is hoped that a reasonable compensation policy can be used to improve teachers' job satisfaction and further improve the stability of the teaching staff and education quality of private education.

## Objective

The objective of this research paper is to verify whether cash compensation and benefits have an impact on teacher job satisfaction.

## Literature Review

### Guangzhou and private higher education in Guangzhou

Guangzhou, referred to as Sui, is the capital city of Guangdong Province and an important economic, cultural, transportation and technological center in southern China (Zhou et al., 2022). Located on the northern edge of the Pearl River Delta, it has an important strategic position as the core city of the Guangdong-Hong Kong-Macao Greater Bay Area (The State Council of the People's Republic of China, 2016).

According to the Ministry of Education's National List of General Institutions of Higher Education, Guangdong Province ranks among the top three in the country in terms of the number of private universities, with Guangzhou leading the province with 15 private general undergraduate colleges (Ministry of Education, 2024). In addition, the quality of education in private universities has been significantly improved through measures such as strengthening the construction of teaching staff, improving teaching facilities, and optimizing curriculum settings. Based on the advantages in quantity and quality, this study will focus on this area to provide useful references and suggestions for the development of private higher education.

### Compensation

According to George T. Milkovich, who believed that compensation is the sum of various monetary incomes and various specific services and benefits obtained by employees as one party in the employment relationship (Milkovich et al., 2014). Therefore, in this research, compensation is divided into two parts: cash compensation and benefit. Cash compensation includes base pay, merit pay, cost-of-living adjustment and incentives/variable pay. Benefits include income protection, work/life balance and allowances.



### Teacher job satisfaction

According to Chinese scholars Chen and Sun, Teacher job satisfaction is a teacher's overall emotional feeling and opinion about the profession, working conditions and status (Liu & Niu, 2023).

### The effect of compensation on teacher job satisfaction

Previous literature depicts that compensation as one of the key factors affecting teachers' job satisfaction (Ellickson & Logsdon, 2002; Hardi Jatmiko et al., 2024). However, if it is subdivided according to the definition of compensation, the impact of its various components on job satisfaction shows different research results. Some scholars tend to believe that cash compensation has a more significant impact on teachers' job satisfaction, while some scholars believe that benefit is more significant in affecting teachers' job satisfaction (Kumar, 2016; Sinniah, 2019). Another key reason for the two different conclusions is that they did not fully consider the different natures of the schools.

### Theoretical Framework

This study aims to explore the impact of compensation on teacher job satisfaction and takes equity theory as the theoretical basis. Equity theory was proposed by American behavioral scientist J. Stacy Adams. The theory focuses on how individuals perceive and evaluate the fairness between their own work and rewards and those of others. The work input and rewards mentioned here should be understood in two aspects. First, individuals will compare work input and rewards; second, individuals will compare their own work input and rewards with the work input and rewards of others (Kurt, 2023).

The equity theory model in this study evaluates teachers' compensation satisfaction by comparing their input-output ratio with that of others. This comparison includes not only horizontal comparison with colleagues, but also vertical comparison with their own past. When teachers believe that their compensation matches their input and is equal to the comparison results of others or the past, they will feel fair, thereby improving their job satisfaction. Conversely, when teachers believe that their compensation does not match their input, or the comparison results with others or the past are not equal, they will feel unfair, which will affect their job satisfaction. (Meng et al., 2022).

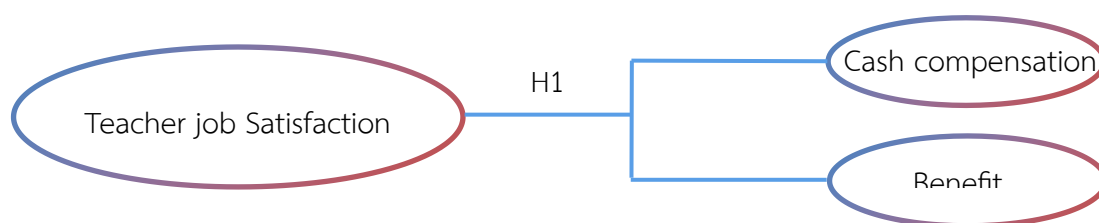


Figure 1: conceptual Framework



Based on the above framework (Refer Figure 1), this study makes the following hypotheses:

H1: Cash compensation and benefits both affect teacher job satisfaction.

## Materials and Methods

This study uses a quantitative research method to quantitatively investigate the impact of compensation on teacher job satisfaction by distributing questionnaires (Dewaele, 2018). The focus is on 15 private undergraduate colleges and universities in Guangzhou, Guangdong Province, and a survey is conducted on 20,355 teachers. According to the Taro Yamani formula:  $n = N / (1 + N(e^2))$ . It was determined that a total of 393 questionnaires needed to be collected in the study (Bello et al., 2022), and the questionnaires were distributed through convenient sampling (Noor et al., 2022). This ensures that each sample in the population has the same chance of being selected, which ensures that the sample is representative. At the same time, it can reduce the sampling bias and make the research results fairer and more reliable.

The questionnaire used in this study consists of three parts: the first part collects basic information about teachers, including gender, age, marital status and other nine aspects (Hou, 2021; Huang & Song, 2024). The second part is compensation, covering two dimensions: cash compensation and benefits (Milkovich et al., 2014). The third part has 11 questions about job satisfaction (Hou, 2021). There are 34 questions in total in the three parts, of which the second and third parts are scored using the Likert five-point scoring method, with "very dissatisfied/no impact at all" scored as 1 point and "very satisfied/very big impact" scored as 5 points. (James, 2014). The questionnaire passed the pre-test, and the results showed that the Cronbach  $\alpha$  coefficient was 0.971, greater than 0.9, the KMO was 0.720, greater than 0.7, and the significance value  $p = 0.000 < 0.05$ . This indicates that the questionnaire has appropriate reliability and validity (Ji et al., 2022; Cerri et al., 2023). The questionnaire was distributed through the WeChat work group and collected on the Questionnaire Star platform. After screening, 393 valid questionnaires were obtained, and SPSS20.0 was used to perform descriptive statistics and correlation analysis on the data (Singh et al., 2021).

## Results

### Sample characteristics description

The valid data show that there are 350 females, accounting for 89.06%, and 43 males, accounting for 10.94%; 213 unmarried teachers, accounting for 54.2%, and 180 married teachers, accounting for 45.8%; 171 teachers are 30 years old or below, accounting



for 43.51%, 118 teachers are 31-40 years old, accounting for 30.03%, 15 teachers are 41-50 years old, accounting for 3.82%, and 89 teachers are over 50 years old, accounting for 22.65%; 278 teachers have a doctoral degree, accounting for 70.74%, 115 teachers have a master's degree, accounting for 29.26%, and teachers with a bachelor's degree or below did not appear in the sample; 129 teachers have a teaching experience of 3 years or less, accounting for 32.82%, and 9-12 teachers have a teaching experience of 2 years or less. There are 125 people with teaching experience, accounting for 31.81%; 115 people with teaching experience of more than 12 years, accounting for 29.26%; 24 people with teaching experience of 4-8 years, accounting for 6.11%; 113 people with the title of lecturer, accounting for 28.75%; 114 people with the title of associate professor, accounting for 29.01%; 140 people with the title of teaching assistant, accounting for 35.62%; 16 people with the title of professor, accounting for 4.07%; 10 people with no title, accounting for 2.54%; 140 people with a monthly salary of 5001-6500 yuan, accounting for 35.62%; 122 people with a monthly salary of more than 6501 yuan, accounting for 31.04%; 76 people with a monthly salary of 3501-5000 yuan, accounting for 19.34%; 55 people with a monthly salary of less than 3500 yuan, accounting for 13.99%.

### Variable Description

**Table 1:** Related variable descriptive analysis

Variable	Mean	Standard Deviation	Variance
X1: Cash compensation	3.63	1.27	1.60
X2: Benefit	3.81	1.19	1.42
Y: Teacher job satisfaction	3.80	1.20	1.44

According to Table 1, cash compensation and benefits are one of the important factors affecting teachers' job satisfaction. Teachers' satisfaction with current cash compensation is above average, and their satisfaction with benefits is even higher. Teachers' overall job satisfaction is at a high level. However, the variance and standard deviation of each variable are high, which indicates that there are large individual differences in teachers' satisfaction with these factors.



## Correlation analysis between compensation and teacher job satisfaction

**Table 2:** Correlation analysis results

	Mean	Standard deviation	Cash compensation	Benefits	Teacher job satisfaction
Cash compensation	3.638	1.014	1		
Benefits	3.814	0.959	0.394**	1	
Teacher job satisfaction	3.797	0.940	0.497**	0.453*	1

p\*\* < 0.01 indicates an extremely significant correlation

According to Table 2, cash compensation and benefits have an impact on teachers' job satisfaction. The correlation coefficients of cash compensation, benefits and teachers' job satisfaction are 0.497 and 0.453 respectively, reaching an extremely significant level. This shows that the higher the cash compensation and benefits of teachers, the higher the job satisfaction of teachers. Cash compensation and benefits are an effective means to improve teachers' job satisfaction (Sriadmitum et al., 2023). Therefore, formulating a reasonable compensation policy is conducive to improving the job satisfaction of teachers in private undergraduate colleges.

## Conclusions and Discussion

The results show that there is a high significant level of positive correlation between cash compensation and benefits and teacher job satisfaction. Likewise, the analysis results of the data show that teachers are more satisfied with their current benefits than with cash compensation. This may be related to the diversity and non-monetary characteristics of benefits, which can also have a positive impact on teacher job satisfaction (Kassim & Onyango, 2022).

The school management should establish a fair and transparent compensation distribution mechanism. This would enable the compensation of teachers to match their work input and create a fair working atmosphere among the teacher group. Similarly, it was found that private undergraduate colleges and universities should pay attention to the optimization of the compensation system. A reasonable compensation system should not only be reflected in the reasonable compensation level and structure in terms of cash compensation but also pay attention to the diversification and personalized design of benefits (Kang & Lee, 2021).



Furthermore, the analysis results of the data show that the variance and standard deviation of each variable are high, which shows that there are large differences in teachers' perceptions of cash compensation, benefits, and job satisfaction. This may be related to factors such as teachers' age, marital status, and professional titles. Different teachers may have different satisfactions with the same cash compensation and benefits (Lu & Luo, 2021).

This study focuses on teachers in private undergraduate colleges and universities in Guangzhou, Guangdong Province, and uses quantitative research methods to explore the impact of compensation on teacher job satisfaction. The following main conclusions are drawn:

1. Cash compensation and benefits have a significant impact on teacher satisfaction. This conclusion verifies the hypothesis of this study (H1): Cash compensation and benefits both affect teacher job satisfaction. It also shows that the improvement of cash compensation and benefits can help improve teacher job satisfaction.
2. Teachers are satisfied with the benefits.
3. Individual differences are significant.

At the same time, through this study, the following insights are obtained:

1. Private colleges and universities must optimize the compensation structure.
2. The administrative level of management at private colleges and universities must pay attention to the shaping of a sense of fairness.
3. Finally, there must be a mechanism for the teachers to enhance their personalized management, satisfaction, and growth.

Holistically, the significant individual differences in teachers' compensation and job satisfaction, schools should adopt personalized management strategies. For example, for teachers with different teaching years, academic qualifications, and professional titles, differentiated compensation incentive plans and career development paths should be designed to meet their diverse needs and improve the satisfaction and stability of the overall teaching staff.

Thus, this research paves the way for future case studies and in-depth analysis into the teacher job satisfaction and ensuring higher job satisfaction among teachers. This would further reflect the transformation of a sustainable society and economy.





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