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## Examining employee discontent with salary growth in private higher education institutions in Bangalore

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### Abstract

This study examines the rising dissatisfaction among employees regarding salary progression in private higher education institutions in Bangalore. Focusing primarily on faculty members, it analyzes how management practices, performance appraisal systems, and institutional feedback processes shape decisions about salary increases. The results indicate notable levels of discontent, largely stemming from perceptions of unfair treatment, limited clarity in pay-related policies, and insufficient acknowledgment of employees' efforts and achievements.

The findings show that senior faculty with higher academic credentials are feeling the impact the most, resulting in lowered enthusiasm for their work, reduced satisfaction, and possible risks of leaving the institution. The research points to the necessity of adopting a clear, equitable, and performance-based approach to salary revisions in order to strengthen staff morale and support overall institutional growth. The study suggests updating salary frameworks, strengthening communication around pay-related decisions, and enhancing recognition practices. These measures can help reduce employee dissatisfaction and promote greater stability within the workforce.

**Keywords:** Compensation progression, staff dissatisfaction, private higher education sector, teaching personnel, administrative and leadership approaches, appraisal systems, work satisfaction

### Introduction

In recent times, private institutions in the higher education sector have undergone notable shifts. Increasing competition for student admissions and declining financial support have diverted attention from improving academic standards. A major concern emerging from this situation is the growing dissatisfaction among employees related to how salary increments are handled. This study examines the factors contributing to this issue, placing particular focus on management practices, faculty performance considerations, and the inadequacies of existing feedback systems.

**The Context of Private Colleges:** Private colleges function within a commercially driven framework that aims to remain financially viable while also addressing students' educational needs. This blend of academic purpose and business priorities often results in monetary concerns overshadowing teaching quality. As a result, even though enrolment figures may appear strong, the morale of employees especially faculty continues to deteriorate. Faculty members, who play a crucial role in shaping an institution's academic standards, increasingly feel discouraged by salary increment practices that they view as unfair, inconsistent, and inadequately administered.

**The Role of Management:** Management teams hold significant influence over institutional decisions, including those related to salary revisions. Yet, many private institutions demonstrate limited appreciation for the expertise and efforts of their faculty. A growing concern is that administrative priorities often lean toward cost control and operational convenience rather than fostering academic distinction. As a result, the valuable work of faculty members is frequently overlooked, with performance evaluation systems that are neither fully objective nor capable of reflecting the comprehensive contributions that skilled educators make to the institution.

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In addition, the standards used to decide who qualifies for salary increments often rely on inconsistent or superficial measures rather than meaningful evaluations of teaching quality. Traditional indicators such as publication counts or enrolment numbers tend to overshadow the importance of holistic, qualitative assessments. Consequently, faculty members who invest significant effort in student interaction, mentoring, and curriculum development may feel their work is overlooked. This misalignment between administrative priorities and the actual demands of teaching has intensified faculty frustration and contributed to a steady decline in job satisfaction.

**Feedback Processes and Limited Administrative Involvement:** Principals and department heads are entrusted with evaluating faculty performance and offering feedback that should meaningfully inform salary revision decisions. However, this system often lacks consistency and dependability. In many cases, administrative leaders whether due to hesitation, bureaucratic pressures, or concerns about maintaining their own positions provide overly cautious or non-committal evaluations. Such vague feedback fails to capture the true capabilities and contributions of faculty members. This practice fosters an environment of uncertainty and distrust, leaving faculty doubtful about the transparency and fairness of the increment process.

In many private colleges, the lack of meaningful and constructive feedback creates a recurring pattern of dissatisfaction among faculty. When educators devote considerable effort to improving their teaching practices and enhancing student learning, yet are ignored during salary revisions, it leads to feelings of being undervalued. Expressions of recognition become superficial, weakening faculty motivation and overall performance. Without genuine performance assessments, even highly committed and effective teachers may go unnoticed, reinforcing frustration and disengagement within the academic workforce.

**The Consequences of Employee Dissatisfaction:** When concerns about employee dissatisfaction are ignored, the overall quality of higher education can be severely affected. Faculty who feel undervalued often lose the drive to maintain high teaching standards. Over time, this lack of support weakens the institution's academic foundation, negatively influencing students' learning experiences and achievements. In such circumstances, the emphasis on effective teaching declines, and skilled faculty members may choose to leave in search of fairer and more supportive workplaces, contributing to higher turnover rates. Moreover, faculty dissatisfaction inevitably shapes how students perceive the overall academic environment. Students are quick to perceive shifts in faculty enthusiasm and commitment, and a disengaged teaching workforce can negatively influence their overall satisfaction and academic success. In the long run, private institutions that overlook the needs and well-being of their educators risk losing their competitive edge, making it difficult to recruit and retain both qualified faculty members and prospective students.

### Objective of the study

- To examine the primary factors that lead employees to

feel dissatisfied with their salary progression.

- To evaluate how existing salary progression policies influence employee morale and their likelihood of remaining with the institution.
- To develop actionable recommendations for improving salary progression systems

### Methods

A detailed questionnaire was designed to gather information on salary increment practices, employee satisfaction, and potential areas for improvement. Additionally, semi-structured interviews were carried out with selected participants to obtain deeper qualitative perspectives on their experiences and viewpoints. The survey results were examined using statistical analysis techniques, while interview data were interpreted through thematic analysis.

### Literature Review

- **Herzberg's Two-Factor Theory:** According to Herzberg (1959) <sup>[6]</sup>, employee satisfaction and dissatisfaction are influenced by different factors. Herzberg identifies "motivators" (e.g., achievement, recognition) and "hygiene factors" (e.g., salary, working conditions). Salary increments fall into the hygiene factors category. Herzberg's theory posits that while inadequate salary can cause dissatisfaction, improvements in salary alone do not necessarily lead to long-term satisfaction unless combined with intrinsic motivators (Herzberg, 1959) <sup>[6]</sup>.
- **Expectancy Theory:** According to Vroom's (1964) <sup>[18]</sup> expectancy theory, employees are more likely to exert greater effort when they believe that their performance will result in valued rewards, such as pay increases. When individuals feel that the rewards they receive do not correspond to the effort they invest, dissatisfaction emerges, which in turn negatively affects their motivation and overall job satisfaction (Vroom, 1964) <sup>[18]</sup>.
- **Equity Theory:** Adams (1965) <sup>[1]</sup> highlights that employees compare their inputs and outputs with those of others to assess fairness. Discrepancies in salary increments can lead to feelings of inequity, resulting in dissatisfaction and decreased motivation if employees feel they are not being fairly compensated compared to their peers (Adams, 1965) <sup>[1]</sup>.
- **Market Comparisons and Compensation Structures:** Research shows that competitive salary structures are crucial for retaining faculty. Higher education institutions often face challenges aligning salary increments with industry standards due to budget constraints. An inadequate adjustment can lead to dissatisfaction and impact employee retention (Kezar & Sam, 2017) <sup>[8]</sup>.
- **Performance-Based Salary Increments:** Linking salary increases to performance assessments remains a critical concern. Research suggests that while merit-based increments can boost employee motivation, they may also cause frustration if the criteria for evaluation are unclear or perceived as biased. Implementing robust performance management systems is essential to ensure that salary adjustments accurately reflect actual employee contributions.
- **Management and Transparency:** Openness in the way salary increments are decided plays an essential

role in shaping employee perceptions. When the process is unclear, it can create feelings of mistrust and dissatisfaction. Studies indicate that providing employees with transparent explanations of how raises are determined, along with consistent feedback, strengthens their sense of fairness (Baker, 1998; Larkin, Pierce, & Gino, 2012) <sup>[2, 11]</sup>.

- **Role of Leadership in Employee Satisfaction:** The way leaders interact with their teams and the management practices they adopt have a strong influence on employee satisfaction. Transformational leadership, characterized by motivating and inspiring employees, is associated with higher job satisfaction and improved perceptions of fairness in salary-related decisions (Bass & Avolio, 1994) <sup>[3]</sup>.
- **Effectiveness of Feedback:** Effective feedback mechanisms are essential for addressing employee concerns regarding salary increments. Studies highlight that constructive and actionable feedback helps employees understand their performance and areas for improvement, thus aligning their expectations with organizational rewards (London, 2003) <sup>[13]</sup>.
- **Administrative Neutrality and Its Impact:** Neutral or vague feedback from administrators can exacerbate dissatisfaction. Research shows that when performance evaluations are not rigorous or specific, employees are more likely to feel undervalued and demotivated (McGregor, 1960; Kluger & DeNisi, 1996) <sup>[14, 9]</sup>.
- **Impact on Morale and Productivity:** Employee dissatisfaction with salary increments can lead to decreased morale and productivity. Studies show that dissatisfaction negatively affects job performance and increases absenteeism, which can ultimately impact organizational effectiveness (Locke, 1976; Herzberg, 1959) <sup>[12, 6]</sup>.
- **Turnover Intentions and Retention:** Dissatisfaction with salary increments is a significant predictor of turnover intentions. Research indicates that inadequate compensation contributes to higher turnover rates, which can disrupt organizational stability and increase recruitment costs (Griffeth, Hom, & Gaertner, 2000; Tett, Jackson, & Rothstein, 1991) <sup>[5, 17]</sup>.

## Results and Discussion

### Demographic Breakdown

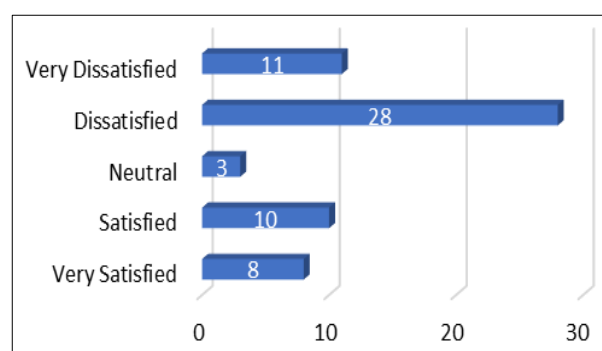
Category	Sub-category	Count
Role at the college	Faculty	28
	Administration Staff	12
	Support Staff	02
	Others	18
Duration of Employment	Less than 1 year	00
	1-3 Years	10
	4-6 Years	12
	More than 6 Years	38
Highest Level of Education	Bachelor's Degree	00
	Master's Degree	54
	Doctorate / Ph.D.	06
	Others	00
Department Affiliation	Academic	60
	Administrative	00
	Students Services	00
	Facilities Management	00
	Others	00

- **Prevalence among Academic Staff:** Since all respondents belong to the academic department, it is probable that dissatisfaction with salary increments is especially pronounced among faculty members. Academic staff typically encounter distinct demands compared to administrative or support personnel, including pressures to publish research, obtain grants, and contribute to the institution's scholarly reputation. These additional responsibilities may intensify their concerns regarding compensation and incremental raises.
- **Long-Term Employment Impact:** The observation that most employees have served for over six years indicates that they may have experienced limited growth in their salaries over time. Those with longer tenure are likely to be more sensitive to perceived inconsistencies or unfairness in salary increments than recently hired staff.
- **Education Level and Expectations:** Since the majority of respondents possess a Master's degree, and a significant portion hold a Doctorate or Ph.D., there may be stronger expectations for salary increments that reflect their advanced qualifications. The absence of respondents with only a Bachelor's degree suggests that dissatisfaction with salary progression might be less pronounced among employees with lower educational credentials.

The results show that concerns regarding salary increments are most pronounced among academic employees, particularly individuals with extensive experience and higher qualifications. At the same time, the limited input from administrative staff, student services teams, and facility personnel prevents a comprehensive assessment of dissatisfaction across all workforce segments. To address these gaps, institutions may need to re-evaluate their increment practices to ensure fairness and better alignment with the contributions and professional credentials of long-serving academic staff.

### Analysis and interpretation of salary satisfaction and increment perceptions

#### Satisfaction with current salary

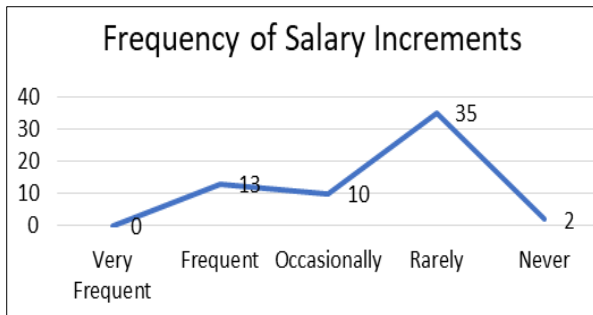


39 out of 60 respondents are dissatisfied with their current salary, while only 30% are satisfied, indicating a significant gap in employee satisfaction.

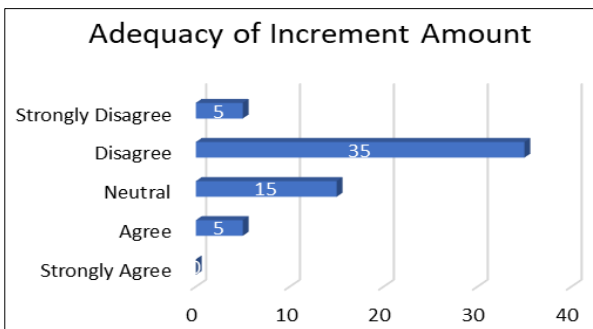
#### Perception of frequency of salary increments

A majority of respondents (35 out of 60) perceive salary increments as infrequent, which may be a factor in overall dissatisfaction. Notably, none of the respondents consider

increments to occur very frequently, suggesting a shared perception of rarity.

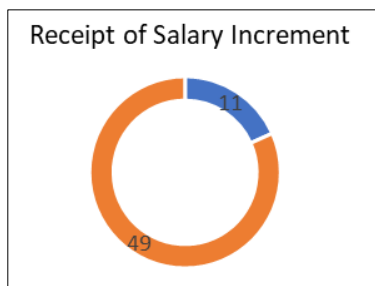


#### Adequacy of increment amount in relation to performance and contributions



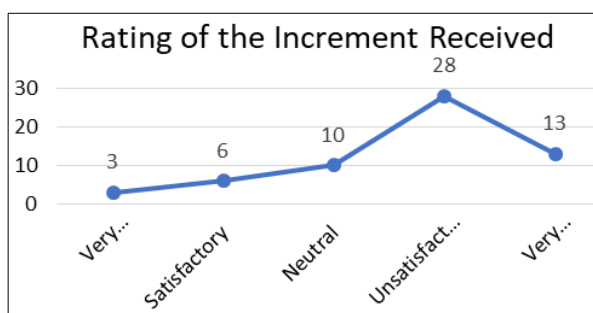
The majority of respondents express disagreement with the current salary increment practices, as 40 out of 60 indicated disagreement or strong disagreement, while only 5 agreed. This reflects widespread dissatisfaction with how increments are linked to performance.

#### Receipt of Salary Increment in the Past 12 Months



Among the respondents, 49 out of 60 reported not receiving a salary increment in the past year, pointing to dissatisfaction and suggesting that salary adjustments may be infrequent or insufficient.

#### Rating of the increment received in the past 12 months



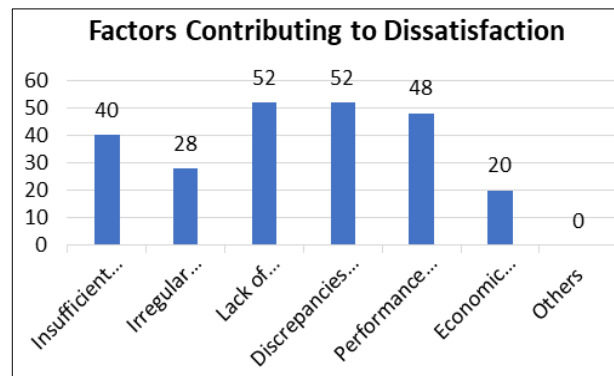
Among those who received salary increments, 41% rated them as unsatisfactory or very unsatisfactory, while only 9 respondents considered them satisfactory or very satisfactory, highlighting that expectations were largely unmet.

#### Summarising

There is clear evidence of strong dissatisfaction with current salaries and increment practices. Factors contributing to this include infrequent and inadequate raises, the absence of recent adjustments, and the perception that performance is not sufficiently recognized.

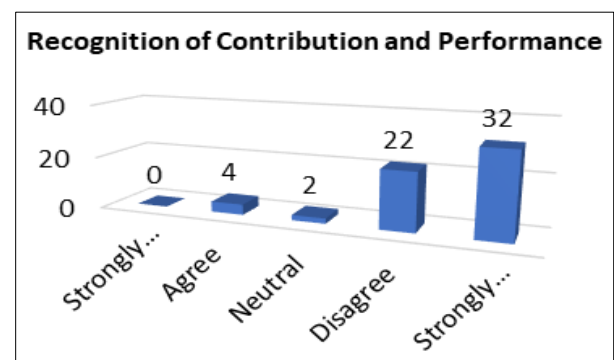
#### Analysis and Interpretation of factors affecting satisfaction

##### Factors contributing to dissatisfaction with salary increments



Employees expressed concerns regarding the transparency of the criteria and inconsistencies in salary increment decisions, with 48 respondents indicating that their contributions are not adequately recognized. The insufficient size and irregular timing of increments were also cited as major issues. Economic conditions appear to play a lesser role, suggesting that external factors are not the main sources of dissatisfaction.

#### Recognition of Contributions and Performance

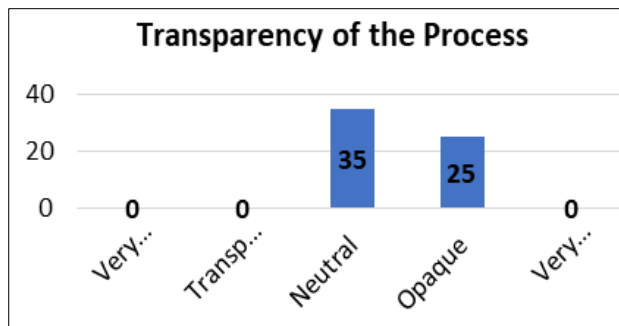


Most employees (54 out of 60) indicated dissatisfaction or strong disagreement regarding the acknowledgment and appreciation of their contributions and performance.

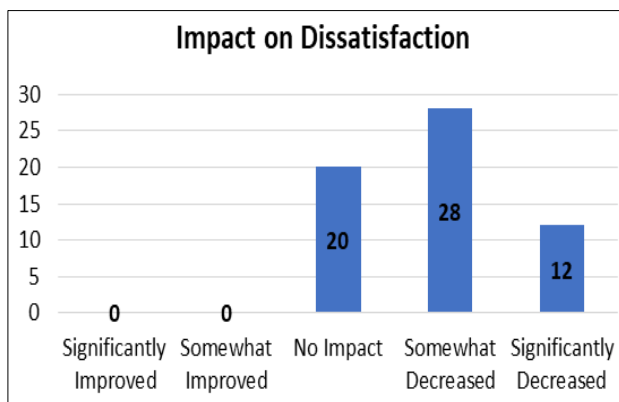
#### Transparency of the increment process

Among the 60 respondents, 35 described the increment process as neutral or unclear, with none rating it as transparent. This suggests a lack of clarity and openness, contributing to employee dissatisfaction.



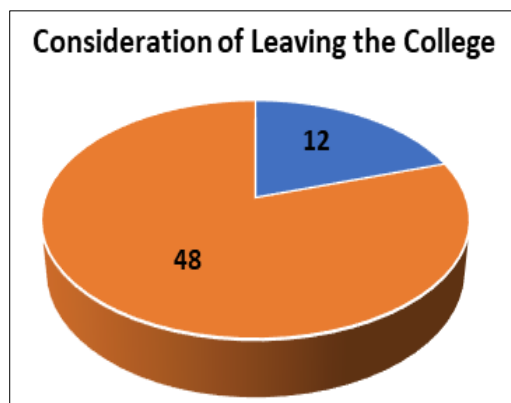


#### Impact of dissatisfaction on motivation and job satisfaction



The 60 respondents, 40 indicated that dissatisfaction with salary increments lowers their motivation and job satisfaction, with 12 reporting a significant decline. This points to a clear negative effect on employee morale and engagement

#### Consideration of leaving the college



While the majority of employees (48 out of 60) are not planning to leave, 12 respondents are contemplating departure due to dissatisfaction with their salaries, highlighting a notable influence on their future at the institution.

#### Summary

Factors such as unclear increment policies, perceived inconsistencies, and insufficient recognition are contributing to employee dissatisfaction, reduced job satisfaction, and potential retention challenges, with a minority of staff considering leaving the college.

#### Recommendations

In light of the widespread dissatisfaction with salary increments, it is essential for the college to reassess its compensation framework. A thorough review of salaries should be undertaken to ensure that increments are consistent with industry benchmarks and reflective of employees' qualifications.

Irregular and insufficient salary increments are significant contributors to employee dissatisfaction. The college should implement more transparent and consistent increment schedules, ensuring that salary increases accurately reflect individual performance and contributions.

The absence of transparency in the salary increment process is a major issue. The college should develop a clear and transparent framework for determining increments, with well-defined criteria and effective communication on how performance influences salary adjustments.

A significant concern exists regarding the insufficient recognition of employee performance. The college should implement a stronger system for acknowledging and rewarding contributions, incorporating regular performance evaluations and structured feedback mechanisms.

Employees have expressed concerns about disparities in comparison to their peers. The college should undertake a review to promote fairness in the allocation of increments and resolve any perceived inequities.

The lack of clarity in the increment process highlights the need for improved communication. Employees should be kept regularly informed about how salary increments are decided and notified of any changes to the procedure.

Considering the effect of dissatisfaction on motivation and job satisfaction, it is essential to monitor these aspects carefully. The college should explore initiatives to enhance morale, such as offering professional development programs or organizing team-building activities.

While the majority of employees are not planning to leave, a portion are considering departure due to dissatisfaction with their salaries. To reduce the risk of losing valuable staff, the college should implement retention strategies, such as providing career advancement opportunities and enhanced support for professional development.

#### Conclusion

The results reveal significant discontent among faculty members regarding salary increases, driven by issues such as irregular revisions, low increment amounts, limited clarity in the process, and perceptions of unfair treatment. These concerns are most evident among experienced staff with higher qualifications, especially those working in the Academic division.

To overcome these issues, the college needs to reassess and update its salary increment policies so they reflect fairness, clarity, and a stronger connection to employee performance. Strengthening communication practices and establishing consistent methods for acknowledging staff achievements will be essential for enhancing morale and overall job satisfaction. Taking timely steps in these areas can support the retention of skilled faculty and help build a more committed and motivated workforce.

#### Scope for further studies

For a more complete picture, it would be useful to collect input from a wider range of departments and staff roles, and

to explore other elements such as specific increment guidelines, overall job satisfaction, and conditions in the broader job market.

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