**EQUAL PAY FOR EQUAL WORK: THE CASE OF A SOUTH AFRICAN UNIVERSITY’S SALARY STRUCTURE**

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**ABSTRACT**

**Purpose:**

The core aim of the paper was to establish the significant differences among the salary structures of the “former” Cape and Peninsula Tecknikons and how these differences affected employees in the “newly-merged” Cape Peninsula of Technology’s (CPUT) Human Resources Administration department in particular. It further aimed to ascertain the policies or principles which were used in the salary harmonisation process. The intended outcome was to determine whether the policies on salaries for the newly-merged higher education institution had to be reconsidered to ensure compliance with government policies during the salary harmonisation process.

**Design/methodology/approach:**

Empirical data were collected by means of an informal interview with the Director of the Human Resource Management department, and a semi-structured questionnaire administered to 24 Human Resource Management department administrators employed at the Cape Peninsula University of Technology in Cape Town, South Africa. Interpretational analysis heeled themes which informed the study’s recommendations.

**Findings:**

This paper provides evidence that where salary inequity exists among employees who are at the same level with identical duties and responsibilities, it is likely to lead to dissatisfaction and may have consequences such as resignation. It is evident from the study that salary disparities existed at CPUT after the merger and generated dissatisfaction among the respondents. This makes it imperative for steps to be taken to rectify the situation. Consequently, the research study proposes recommendations in this regard.

**Practical implications:**

Raising awareness levels among all staff in general, on university policies and procedures at CPUT in particular is imperative. Therefore, it should be a standard of good practice for HR practitioners at CPUT to organise faculty- and unit-based workshops, where salient issues around the institution’s policies, and clarify employees’ concerns and the like, can be outlined and addressed.

**Originality/value:**

This research is original as no similar study has been conducted post the mergers of higher education institutions in South Africa in general, and at CPUT in particular. This study provides new information on HR staff’s attitudes and perceptions around equal work for equal pay at CPUT in particular and how inequalities can be addressed.

**KEYWORDS:**

Mergers, perception, attitudes, equal work, equal pay, salaries, university, human resource management, Cape Peninsula University of Technology, Cape Technikon, Peninsula Technikon.

**INTRODUCTION**

The research background is rooted in the merger of the Cape and Peninsula Technikons, two institutions that had different remuneration systems, which formed the present-day Cape Peninsula University of Technology (CPUT). Given the importance of the post-1994 transformation of South Africa’s institutions of higher education from mergers to the issue of remuneration at CPUT, a brief historical background of transformation in the higher education landscape is required. In 1994, when South Africa joined the ranks of democratic nations after decades of Apartheid, there were 36 public higher education institutions, which comprised 21 traditional universities (11 White, 7 of which were Afrikaans-medium and 4 English-medium; and 10 Black) and 15 technikons (8 White and 7 Black) (Jansen, 2004). According to Jansen (2004), these institutions were characterised by differences in resources, staffing levels, research productivity, and student pass and progression rates, among others, which made the need for transformation inevitable. Transformation was also expected to improve salary levels and working conditions (Koen, 2002:405). Immediately after attainment of majority rule by the African National Congress in 1994, increased student numbers (or massification) was envisaged to open up university education to the majority of previously disadvantaged (Black) students.

In 1999, the then-Minister of Education sought advice from the Council of Higher Education (CHE) on reconfiguration of the higher education system, with size and shape as the key focus. In December 1999, the CHE’s memorandum, *Towards a Framework and Strategy for Reconfiguring the Higher Education System in South Africa,* proposed a task team to handle the transformation of higher education. In April 2000 the task team presented the Minister with a discussion document, which proposed a differentiated system of higher education based on institutional types, distinguished by various levels, types and durations of qualifications which are offered (CHE, 2000:8). In July 2000 the team tabled a report that made “a number of recommendations on the size of the system in relation to the number of institutions, closures, combinations and funding [and] provides examples of possible combinations that could create a more rational and coherent higher education landscape” (South Africa, 2000: 51). A key recommendation that was made was to reduce the number of institutions by combining them. The word ‘mergers’ officially emerged for the first time in this CHE report. Acting on the report, a *National Plan for Higher Education* was released by the Minister in March 2001. In December 2001 the report of the national working group, *The Restructuring of the Higher Education System in South Africa,* recommended the use of mergers as a mechanism to reduce the number of higher education institutions from 36 to 21. The Minister’s blueprint for institutional mergers was submitted and approved by Cabinet in April 2002. Among the 10 proposed ‘arranged marriages’ was one involving the Cape Technikon and the Peninsula Technikon, which occurred in 2005.

It became the responsibility of university management to determine employees’ salaries. One of the challenges that CPUT faced after the merger of the Cape and Peninsula Technikons was employees’ allegation that salary disparities existed among different categories of employees, including those employed in the Human Resource Department, which operated different salary scales at the Cape Town and Bellville campuses.

Since the merger, changes have occurred within CPUT’s salary structure as a whole. Measures have been taken to harmonise the two salary structures in order to produce a single one that eliminates any disparities and ensures equity among the different categories of employees and their respective levels of appointment.

**PROBLEM STATEMENT**

In every organisation it is the responsibility of management to determine employees’ salaries. “Salaries have a dual nature: on the one hand, compensation is a major reason for people to join, stay and work for an organisation; on the other hand, it is a major cost of operating an organisation, something to be carefully managed” (Louis, 1985:323). An organisation’s human resource department typically deals with salaries and related issues.

Grobler, Warnich, Carrel, Elbert, and Hatfield (2006:350) state that “with a variety of costly employees, salary incentive programmes and structured pay scale tasks are even more difficult and challenging for a human resource specialist”.

After the merger, as alluded to earlier, CPUT Cape Town Human Resources Administration employees heard that some of their counterparts at the Bellville campus were apparently on higher salary grades than them, they felt disgruntled. This was expected though, as the two campuses had different salary structures, which they had inherited from the previous technikons.

Given the brief background provided in earlier text, the research problem may be stated as follows: remuneration is an essential source of extrinsic motivation which, together with intrinsic motivation, plays a significant role in employees’ satisfaction. Dissatisfaction with salaries has the potential to cause disaffection and hence trigger a number of negative responses. This paper sought to investigate the existence of salary disparities among Human Resources Administration employees at CPUT’s Bellville and Cape Town campuses, and their handling of the situation, especially in terms of deciding to resign or stay.

Through data that was collected using a questionnaire that was administered to employees in the Human Resource Department at the Cape Town and Bellville campuses, it was hoped to identify perceptions around the issue of salaries or real disparities within the salary structure of the merged institution. This was essential because the literature indicates that dissatisfaction arises when employees at the same level realise they are paid lower than their counterparts (Karsten, 2006:85). Employee dissatisfaction with remuneration and its impact on productivity is a common phenomenon which is aptly described by Grobler *et al*. (2006:350): “Employees’ salaries affect productivity and their tenure with the organisation. Employees’ needs for income and their desire need to be fairly treated by the organisation, making development in the salary programme as it is very important for the human resource department”.

**PURPOSE STATEMENT**

The core aim of the paper was to establish the significant differences among the salary structures of the Cape and Peninsula Tecknikons and how these differences affected employees in CPUT’s Human Resources Administration department in particular. It further aimed to ascertain the policies or principles which were used in the salary harmonisation process. The intended outcome was to determine whether the policies on salaries for the newly-merged higher education institution had to be reconsidered to ensure compliance with government policies during the salary harmonisation process.

**LITERATURE REVIEW**

This section provides a theoretical overview of salary structures and equity in pay to illuminate the research problem and to focus the discussion. It also explains how employees are affected by irregularities in pay within an organisation. It further discusses the importance of salary management, equity management and policies which relates to salaries such as compensation. It is recognised that one factor that is instrumental in many employees joining an organisation relates to a competitive and satisfactory salary.

**Salary structures**

A salary structure consists of a company’s salary grade or range and its salary level for single jobs or groups of jobs. The ultimate aim of a job evaluation exercise for example, is to design a salary structure into which jobs can be correctly graded on the basis of an assessment of their relative value to the company (Armstrong, 1985:211).

An effective, well-developed structure for an organisation is definitely one of the reasons to attract and retain more people within the organisation. In the researchers opinion in order to recruit and retain more qualified and experienced employees, it is important to manage salary structures effectively and efficiently (Armstrong, 1985:211). Organisational structures should be designed by means of job evaluation in order to ensure equity among employees’ salaries. A salary structure consists of a related series of salary rates, levels and ranges which are applicable to individual jobs or groups of jobs (MacBeath, 1976:132). MacBeath (1976:132) states that “salary management is a significant duty for both the organisation and the employee. The importance of salaries and wages often constitutes the greatest single cost of doing business”.

Flippo (1984:281) concurs with Armstrong (1985:211) and contends that: “salaries are the most important reason for employee to join the organisation, this is also important because it is the sole means of economic survival and it is also most influential factor determining status in society. It is important for an organisation to have a designed structure in order to employ and retain effective and efficient employees. The author also states that salaries are important and designed to attract capable employees, motivate them, and retain their services over an extended period of time. Furthermore, salaries can provide a source of motivation for employees to give more commitment in their work. Through experience, employers have learned that to interact and hold competent employees in a free labour market, they must pay adequate salaries within their establishments. Salary administration has come to be accepted as a designation for that field of endeavour which is concerned with the establishment and implementation of sound policies and methods of employees (Flippo, 1985:281).

Managing organisational salaries is the most sensitive part of management. Another important aspect of salary management is the motivational aspect of pay, which is the use of pay to induce people to perform at certain levels and to retain their commitment to the organisation and desired performance. According to Armstrong (1992:637), salary structure should help in the management of relativities and enable the organisation to recognise and reward people appropriately, according to their job size, performance, contribution, skill and competence. The pay structure should also help the organisation to control the implementation of pay policies and budgets. According to Armstrong (1992:637), “in order for the organisation to be able to set salaries it is imperative to do a job evaluation to survey the job weight for the employees, according to the specific job versus set salaries to employees”. Further, organisations tend to rely on wage and salary survey data that is collected from other organisations in order to establish a competitively priced wage structure.

**Comparison of organisational pay**

According to Snelgar (2007:198), “the development of an equitable and uniform pay structure is somewhat clouded by the existence of the wage gap”, both between males and females and, more importantly, between Black and White employees.

Wage earners seem to attach great importance to what they regard as an “equitable” wage structure, judged largely by comparative job content, qualification, skills, condition and so forth. They are strongly inclined to compare their present with their former job and their own wages with those of others in terms of comparative reward prestige. They often resent wage differentials which advantage others and if not for any relevant reason. Wage earners also look for a ‘steady’ wage (Livy, 1988:247).

The aforegoing allows organisations to structure their pay systems according to market rates so that the wage curve will represent what is perceived to be fair and will thus, avoid problems on the industrial relation fronts and simultaneously allow adequate study of the wage-gap over time (Cogill & Pearson, 1978:28).

**The principle of salary administration**

There should be a definite plan in which differences in pay are based upon as well as in variations in job requirements such as skills, effort, and responsibility and job conditions. The general levels of wages and salaries should be reasonably in line with that which prevails in the labour market. In some instances, equality with pay level in the industry is used, instead of the labour market criterion, which is most commonly used. Equal pay, for equal work, means that if two jobs have equal job difficulty requirements then the pay should be the same regardless of who fills them. Managers should also ensure this for the sake of compliance with the Employment Equity Act (Armstrong, 1992:636).

**Pay structure management**

A pay structure consists of an organisation’s pay range for jobs that are grouped into individual jobs. The purpose of a salary structure is to provide a fair and consistent way to motivate and reward employees. The aim is to further the objective of the organisation by having a logically designed framework within which internally equitable and externally competitive reward policies can be implemented (Armstrong, 1992:636).

According to Rynes and Gerhart (2000:62), in the equity model, pay satisfaction depends on comparisons of person outcome-input ratio to the outcome-input comparison of other organisations. The greater the similarity of the ratios, the greater the person’s pay satisfaction. The discrepancy model is the law that dictates when someone or an employee qualifies for a certain salary, which suggests that pay satisfaction depends on the degree of discrepancy between individuals’ perceptions of the amounts of pay that they should receive and what they actually do receive. Rynes and Gerhart (2000:63) states that the two other modifications to models of pay satisfaction should be noted, and the two amounts that the person should receive and do receive with numerous antecedents to each of the components proposed.

The equity model suggests that feelings of inequity create a dissonance in the employee that triggers actions to reduce dissatisfaction. The action may be cognitive or behavioural. Without formalisation and concomitant analysis of jobs, and internally equitable ordering of jobs from the least difficult and responsible to the most difficult and responsible, it is impossible to achieve (Rynes & Gerhart, 2000:63).

Handlogten (2000:6) states that under an informal approach to compensation, some jobs will always be compensated less than they should be when compared to other jobs in the organisation. A formal compensation programme recognises the differences in jobs and structures a pay system that accurately reflects these differences; it establishes internal equity. Handlogten (2000:6) also explains external equity, which is fairness of the organisation in the labour market. External equity is said to exist when pay rates of the organisation are equal to or closely approximate to market rates. The equity model also suggests that pay dissatisfaction creates a dissonance that the employee seeks to reduce.

If pay is to motivate, or indeed has any positive influence at all, what should be felt to be fair in relation both to the work done and to other people doing the same similar work. Though experienced employers have learned to attract and hold competent employees in a free labour market they must pay adequate wages and pay each worker properly in relation to other workers within their establishment (Sherman, 1980:427).

On the basis of the exchange model, equity theory holds that employees seek an exchange in which the rewards are perceived to be equitable. If they perceive the exchange to be inequitable, they are likely to try to reduce the inequities by seeking a pay increase, reducing contribution, or appealing the inequity through the grievance process (Sherman, 1980:427).

It will only be fair to the organisation’s employees who are overpaid to increase productivity and to add more value to what they are doing in performing their duties. “If they perceive their reward to be greater than their contribution that-is if they believe they are being overpaid, they may seek to reduce the inequity by increasing their productivity” (Sherman, 1980:427). Sherman (1980:427) states that “a closer relationship between productivity and pay is more likely to be perceived by employees if there is a formal programme governing compensation payments. Such programmes should provide the guidelines upon which individual pay decision are based. The decisions are likely to be more equitable and consistent otherwise that would be the case”.

Equity of pay is seen as reflecting the degree of discrepancy between the amount of pay that a person actually receives and the amount of pay that they feel they should receive. The latter is governed by several factors, which are outlined below:

* Social comparisons – when employees see that others earn more pay and/or when they feel that others, who are comparably paid, are performing less demanding work or bringing fewer qualifications to their jobs.
* Sense of financial need – determined by an employee’s past earnings, family and financial obligations and changes that occur in the cost of living.
* Ability of employer to pay – the financial condition of the employer.
* Value of non-monetary rewards – the perception of the value of these other rewards, including fringe benefits and the degree of psychological satisfaction that is experienced (Sherman, 1980:427)

Thus, for example, a given pay level will be seen as less equitable by a person who experiences financial pressures and who works in a financially well off company that offers few fringe benefits. Also important in determining overall satisfaction, is any individual’s perception of the way in which the organisation administers its compensation plan (Sherman, 1980:428). Over and above perceptions of pay equity or inequity, pay dissatisfaction is probably induced when individuals feel that wrong criteria are used to determine their pay. A clear example is the use of merit criteria among employees who do not feel that performance should be a major consideration to determine their pay (Sherman, 1980:428).

Lawler and Porter (1965:100) have argued that pay systems that are shrouded in secrecy prevent recipients from accurately assessing the existence of any contingencies between pay and performance. Lawler and Porter (1965:100) argue that secrecy leads to fallacious pay comparisons with others that may result in a greater dissatisfaction with pay than would be the case if social comparisons were made which are based on knowledge of actual pay rates. Other researchers such as Nomagugu (2004:23), however, have shown that partially open pay systems, that is, communication of salary ranges, do not necessarily lead to more accurate pay comparisons.

**Effects of disparities within employees’ salaries**

***Behaviour***

The behaviour amongst employees when they discover that there are discrepancies within their salaries can be affected in a way that there will not be any commitment, and people can easily lose respect for each other because of the unfairness in salaries. The discrepancies can also lead to absenteeism within the workforce (Greenberg and Baron, 1983:4). According to Greenberg and Baron (1983:4), behaviour is the field that seeks knowledge of all aspects of behaviour in organisational settings through the systematic study of individuals, groups, and organisational processes. Managing individual behaviour and group behaviour in organisations is a difficult and complex task. A large part of this is because of the many different roles that managers have to play (Feldman & Arnold, 1983:3).

When managers want their employees to behave in a certain way they motivate them to do so, and process a job evaluation for those who perfom equal work. Motivation is not about manipulation; it is aboutunderstanding the needs or urges, which prompt people to do things and provide ways to help them to satisfy those needs through the organisation, while harnessing their contribution to satisfy its needs (Hacket, 1985:171).

Dunn and Rachel (1971:02) state that reward decision processes as well as the decision makers themselves are influenced by the behaviour of individual workers and their groups. According to Armstrong (1992:116), compensation is a major expense. It can influence employees’ work attitudes and behavioursand may affect an individual’s decision to apply for a job, to work productively, to join a union, or to undertake more training for a new job. This potential to influence employees’ work attitudes and behaviours is an important rationale to ensure that compensation is managed fairly and equitably.

***Attitude***

Attitude can be affected in such a way that employees despise the jobs that they are doing because of unequal pay and discrepancies within their salaries which is the same as creating late comers to work, and absenteeism at work (Armstrong, 1992:116). Hacket (1985:22) states that the area of attitude change is a difficult one. Although a straight telling may be designed with a view to changing attitudes, it is unlikely to do so. Group communication, role play training or coaching are more likely to succeed. These methods all tend to confront people with the consequences of their present attitudes, and thereby induce change.

Two of the most important theories are those of expectancy and reinforcement. Vroom (1964) advanced his “expectancy” theory, which was elaborated by Lawler (1973:341). In so far as a potential reward, such as pay, is concerned, the critical component of expectancy theory has to do with a person’s belief about the linkage or contingency between a behaviour (such as performance or attendance) and a reward (Hacket, 1985:22)

The stronger the belief that the desired reward will follow the behaviour, the stronger the motivation to exhibit that behaviour. The individual is cast in a situation where there is a choice of a variety of actions, which can be taken and the individual is credited with the deductive process to enable them to choose that, which is potentially of the most value (valence or utility) to them. Both experimental and field studies have found that perceptions regarding the link between performance and pay were strongest when the actual linkages were strongest (Hacket, 1985:22).

The conditioning of behaviour develops habits and is termed learning, confronted with a familiar stimulus, the individual engages in behaviour, which has been reinforced previously in that situation. Application of the reinforcement model of motivation can be seen in the training of children and animals. It can also be observed in the fact that many of our own habits developed because we found certain behaviours rewarding in some manners. There have been a number of studies that have investigated behavioural consequences of pay in a reinforcement context (Hacket, 1985:22).

**Legislation governing labour in South Africa**

Prior to 1994 the main reason for wage discrepancy was the fact that women’s work was undervalued and underpaid in relation to that of men. Before 1997, in South Africa minimum employment standards were regulated by the Basic Conditions of Employment Equity Act (75 of 1997), which stems from legislation that was introduced in the period 1920 to 1940. It reflected a rigid and outdated approach to the regulation of working hours and other conditions of employment. The declaration on equality of opportunity and treatment for women workers states that all forms of discrimination on the grounds of sex, which deny or restrict equality of opportunity and treatment, are unacceptable and must be eliminated (Nomagugu, 2006:26).

***The Basic Conditions of Employment Equity Act (75 of 1997)***

Each and every organisation in South Africa, must comply with the Basic Conditions of Employment Act (75 of 1997) when employing and implementing human resource policies for employees’ protection against discrimination and unfair treatment. The Act provides for employment equity and for matters incidental thereto. *Apartheid* and other discriminatory laws and practices show that there are disparities in employment, occupation and income within the national labour market. The Act was promulgated to promote the constitutional right of equality and to exercise true democracy.

The Basic Conditions of Employment Act (1997) defines remuneration as any payment in money or in kind, or both in money and in kind, made or owing to a person in return for that person working for any other person, including the state. Section 6 emphasises that its purpose is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination*.*

***Public Service Act (Act 103 of 1994) (South Africa)***

Chapter VIII, Section 38 entitled ‘Miscellaneous’ of the Public Service Act (1994) states that if an employee is wrongly granted remuneration - if an incorrect salary or scale of salary is placed on appointment, transfer or promotion, or if incorrect advancement of salary within the limits of the scale of salary applicable to his or her grading, was awarded or granted to an officer or employee, or was awarded or granted at the correct notch or scale but at a time when or in circumstances under, which it should not have been awarded or granted to him or her, the head of department in which that officer or employee is employed, shall correct the salary or scale with effect from the day on which incorrect salary/scale salary advancement commence.

When salary scales are corrected they should be done so in line with the provisions of Section 14 (3) (a) and notwithstanding the fact that the officer or employee concerned was unaware that an error had been made in the case where the correction amounts to a reduction of his or her scale of salary or remuneration.

If an officer or employee contemplated in subsection (1) has in respect of his or her salary, including any portion of any allowance or other remuneration or any other benefit calculated on his or her basic salary or scale salary or awarded to him or her by reason of his or her basic salary:

* been underpaid, an amount equal to the amount of the underpayment shall be paid to him or her benefit which he or she did not receive, shall be awarded to him or her as from a current date,
* been overpaid or received any such other benefit not due to him or her,an amount equal to the amount of overpayment shall be recovered from him or her by way of the deduction from his or her salary of such installments as the head of department, with the approval of the treasury, may determine if he or she is the service of the state, or, if he or she not so in service, by way of legal proceedings or partly in the former manner and partly in latter manner, and
* that their benefits shall be discontinued or withdrawn as from the current date, but the officer or employee concerned shall have the right to be compensated by the state for any patrimonial loss which he or she has suffered or will suffer as a result of that discontinuation or withdrawal.

With the approval of the Treasury the amount of overpayment to be recovered in terms of subsection (2) (b) may be remitted in whole or in part.

**Historical overview: Pre-merger salary structures of the Cape Technikon and Peninsula Technikons**

In the former Cape Technikon a system called Peromnes was applied. Peromnes refers to a job evaluation system, which scores a job according to number of factors such as problem solving, pressure of work, job impact, consequences of judgement, educational qualifications and experience required. ’ The peromnes that was used, provides guidelines for job evaluation. The system determines all staff grades according to employees’ experiences and qualifications. The Peninsula Technikon system for pay also used Peromnes. This system is user-friendly, according to the Salaries Department of the CPUT, and is the same system used for the merged institution. The peromnes system are grades that show the rank order of jobs within an organisation and allow jobs to be compared by grades with other jobs, both inside and outside of the organisation.

An examination of the salary structures of the Cape Technikon and Peninsula Technikons is important to indicate where the apparent salary disparities originate, and could assist to provide guidelines on how the salary structure at CPUT should be managed in future. Furhermore, this examination might also provide insight and understanding of policies pertaining to salaries.

The salary structures of the Cape Technikon and Peninsula Technikons had to be harmonised into one system to ensure equity within CPUT. Although the two campuses of the merged institution (Belville and Cape Town) used the Peromnes system, salary grading seemed different. A committee was established to decide, which system would be fair to the majority of employees with complaints. The Peromnes system was used in the new institution, though disparities arose because the former Peninsula Technikon paid its employees more than the former Cape Technikon in some grades. Consequently, harmonisation of salaries had to be realised. The next section discusses various issues relating to salaries at CPUT.

**RESEARCH METHODOLOGY**

The study followed a qualitative research approach where an initial informal interview was conducted with the Director of Human Resources Administration, followed by a semi-structured questionnaire which was administered to 24 employees in the Human Resources Administration department. Interpretational analysis was used to devise broad themes under which the findings were located. The recommendations in turn, emanated from the findings.

**Informal interview with Director of Human Resources Administration**

An interview according to Nieuwenhuis (2007:87) facilitates the collection of descriptive data to understand participants’ construction of knowledge and reality. Initially, an informal interview was conducted with the Director of Human Resources Administration department to obtain information on the number of employees in the Human Resources Administration department; to establish the existence of a policy on salaries; to identify policies that are relevant to salaries, and to understand the salary harmonisation process. The aforementioned information underpinned the questions posed in the semi-structured questionnaire.

**Semi-structured questionnaire**

The aim of the semi-structured questionnaire was to collect data from Human Resource Administrative personnel to facilitate an understanding of their attitudes to work in light of apparent salary discrepancies that existed among those in Grade 11, 12 and 13.

**FINDINGS AND CONCLUSIONS**

The following section forwards the themes devised as per the findings, and the conclusions drawn.

***Length of employment, titles and duties***

Most respondents (75%) had been employed for between six and sixteen years or longer by the former Cape Technikon and Peninsula Technikon and were more likely to experience apparent salary disparities than those who were employed after the merger. Respondents were placed into four different categories of title holders (human resources officers, recruitment and selection practitioners, junior recruitment and selection practitioners, and training coordinators). However, within each category respondents performed identical duties, irrespective of whether they were based at CPUT’s Cape Town or Bellville campus.

***Salary disparities, pre- or post-merger employment and campus***

Apparently, salary disparities existed among human resource officers, recruitment and selection practitioners, junior recruitment and selection practitioners and training coordinators. Most of the apparent disparities were on ‘other’ grades, and not grades applicable to job levels 11, 12 and 13. Undoubtedly, there was an expectation that the principle of equal work for equal pay would be applicable. Sixty-seven percent (67%) of the respondents were employed before the merger and were, thus, most likely to be affected by the said disparities. Moreover, a majority of the human resource officers (75%), recruitment and selection practitioners (60%) and junior recruitment and selection practitioners (55%) had been employed by the Cape Technikon, which generally paid respondents less to perform duties that were identical to those of their counterparts at the former Peninsula Technikon.

***All categories of respondents employed before the merger were affected***

Salary disparities affected all categories of respondents. The most affected were recruitment and selection practitioners, followed by human resources officers, training coordinators and junior recruitment and selection practitioners. Consequently, a strong perception existed among the respondents that there were disparities between them and their colleagues who were on the same job grades.

***Line managers’ awareness, title-holders’ strategies and the effect of disparities on work performance***

Line managers were aware of the apparent salary disparities among respondents and the latter counted on their line managers’ influence to resolve the disparities. This explains why approaching line managers were one of two main strategies respondents considered to dealing with the issue. The other strategy was to approach their respective trade unions. Significantly, there was unanimity among respondents that the apparent salary disparities did not have any effect on their work performance.

***Likely effects, awareness of disparities and harmonisation of salaries***

No conclusive indication as to whether the apparent salary disparities could have led to resignations emerged from the study, as most respondents did not respond to this item. Further, a majority of respondents were unaware of the harmonisation of salaries, which, in fact, had happened for most of them.

***Perceptions of existence of salary disparities, understanding of salaries and familiarity with salary policy***

A widespread perception of salary disparities existed among a majority of the respondents, most of whom had a poor understanding of the salient features of the institution’s salary policy.

**RECOMMENDATIONS**

Where salary inequity exists among employees who are at the same level with identical duties and responsibilities, it is likely to lead to dissatisfaction and may have consequences such as those mentioned in earlier text. It is evident from the study that salary disparities existed at CPUT after the merger and generated dissatisfaction among the respondents. This makes it imperative for steps to be taken to rectify the situation. Consequently, the research study proposes recommendations in this regard, and these are presented below.

**Frequent comprehensive review of salary structure**

Equity theory contends that pay satisfaction exists when an employee’s job inputs, such as education, experience, effort, seniority and training, and outputs such as pay, promotion and intrinsic rewards, match. Satisfaction with pay is important because, as the research has shown, inequity leads to dissatisfaction and complaints. More often than not, it goes beyond dissatisfaction and complaints to absenteeism, low productivity and high turnover, which are costly. This implies that it is important for the institution to ensure internal equity and fairness between pay categories. In this light, it is recommended that the institution should undertake frequent comprehensive reviews of its salary policy and adjust employees’ salary grades accordingly taking into cognisance job titles and accompanying duties and responsibilities. More importantly, the principle of equal pay for work of equal value should be practised.

**Openness and transparency in salary grading**

A transparent process in salary grading leaves all concerned with a perception that everything is above reproach. While individual salary packages are confidential and should not be disclosed, there is nothing confidential about a salary grading system. It is important for those operating the institution’s salary system to explain how the salary grading system operates to employees during induction and workshops. Salary administration should be about equitable salary relationships, which in an age of participation with progressively greater disclosure of salaries, means getting these relationships internally and externally right for all to see. Thus, salary equity should not only be done, but also seen to be done.

**Open and honest communication**

Further, open and honest communication is an effective tool to deal with all forms of crisis, including salaries. It is recommended that the institution should adopt a proactive and upfront stance to engage and communicate with employees on issues that have the potential to cause dissatisfaction and its attendant negative consequences.

**Education and regular raising of employees’ awareness on policies**

The high level of a lack of knowledge amongst respondents regarding the institution’s salary policy (item 17) and human resources policy (item 18) is disappointing. Although it is be deemed to be an employee’s responsibility to familiarise him/herself with all the institution’s policies, it should be a standard of good practice for the institution to organise faculty- and unit-based workshops, where key personnel from the human resources department can outline salient issues around the institution’s policies, and clarify employees’ concerns.

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