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Assessing the Impact of FinTech-Enabled Salary and Benefits Platforms on Employee Satisfaction in Educational Institutions

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ABSTRACT

The introduction of FinTech into administrative operations has revolutionized salary and benefits management across all sectors of organizations, including educational institutions. The study explores the impact FinTech-enabled platforms for compensation and benefits have on employee satisfaction based on three qualities: the ease with which a platform is used, its security and transparency, and the efficiency with which disbursement is achieved. Drawing on the TAM and theories on employee satisfaction, this research will seek to establish the impact digital financial systems have on experience, trust, and effectiveness at an institutional level among employees. A descriptive and empirical research design was adopted wherein 200 teaching staff of selected educational institutions responded to a structured Likert-scale questionnaire. Statistical analyses such as Exploratory Factor Analysis, Confirmatory Factor Analysis, reliability tests, and hypothesis testing were performed using SPSS and AMOS. The findings revealed strong sampling adequacy with KMO = 0.889 and significant inter-item correlations confirmed by the Bartlett's Test, at p < .001. EFA validated the four-factor structure; CFA revealed acceptable fit indices: CFI = 0.938; TLI = 0.904. Internal consistency was also high: Cronbach's α = 0.915, while all hypotheses were supported. Results reveal that FinTech-enabled platforms enhance teaching staff satisfaction by enabling ease of use, making the process more secure and transparent, and ensuring timely salaries and benefits disbursement. This study contributes to empirical evidence that digital financial systems inspire trust, reduce administrative red tape, and ensure fairness in perceptions within educational institutions. The research extends TAM in the education HR context and provides practical recommendations for institutions to enhance digital HR and financial practices through effective adoption of FinTech.

Keywords: *FinTech, Employee Satisfaction, Technology Acceptance Model (TAM), Platform Usability, Security and Transparency, Efficiency of Disbursement, Educational Institutions, Digital HR Systems*.

Introduction

The integration of Financial Technology (FinTech) into human resource and financial management systems has revolutionized how organizations handle salary payments, benefits administration, and related financial processes. FinTech, a term derived from “financial technology,” refers to the use of technological innovations to deliver financial services more efficiently and conveniently (Arner, Barberis, & Buckley, 2017). Traditionally associated with the banking and financial sectors, FinTech applications have now permeated diverse domains, including education, healthcare,

and government institutions (Puschmann, 2017). In educational institutions, the deployment of FinTech-enabled salary and benefits platforms marks a significant shift toward digitized, transparent, and employee-centric administrative systems.

Educational institutions have historically relied on conventional and often manual financial processes, leading to inefficiencies, delays, and limited transparency in employee compensation and benefits management (Muthukannan& Srinivasan, 2021). However, the emergence of digital financial solutions has enabled institutions to streamline operations through automated payroll transfers, provident fund management, tax deductions, and digital reimbursement systems. FinTech platforms not only enhance operational efficiency but also provide employees with immediate access to their financial data, thereby fostering trust and satisfaction (Suryono, Budi, &Purwandari, 2020).

Employee satisfaction remains a crucial factor influencing institutional performance and organizational commitment (Locke, 1976; Aziri, 2011). It is affected not only by the amount of compensation but also by the manner in which these compensations are managed, delivered, and communicated. FinTech-enabled systems contribute to greater employee satisfaction by improving transparency, reducing administrative burden, and ensuring timely disbursement of salaries and benefits (Singh & Srivastava, 2023). Additionally, technological factors such as perceived ease of use, accessibility, data security, and trustworthiness of FinTech applications play a significant role in shaping employees' attitudes toward these platforms (Davis, 1989; Venkatesh & Davis, 2000).

While several studies have explored the adoption and impact of FinTech in the banking and financial sectors (Gai, Qiu, & Sun, 2018; Lee & Shin, 2018), limited empirical research focuses on its implications within educational institutions. Given that educational institutions employ a wide range of academic and administrative personnel, understanding the effects of FinTech-enabled platforms on employee satisfaction becomes vital. The education sector's unique context—marked by hierarchical structures, budget constraints, and a need for transparent governance—provides an important environment for examining how technology-driven financial solutions can enhance employee welfare and institutional efficiency (Rahman & Rahaman, 2022).

Therefore, this study aims toassess the impact of FinTech-enabled salary and benefits platforms on employee satisfaction in educational institutions**.** It seeks to evaluate how factors such as ease of access, transparency, security, and perceived usefulness influence the overall satisfaction of employees. The research will contribute both theoretically and practically: theoretically, by extending the Technology Acceptance Model (TAM) and satisfaction theories to FinTech applications in education; and practically, by offering insights to policymakers and administrators for improving HR and financial management practices.

The outcomes of this study are expected to provide a robust understanding of how FinTech innovations can strengthen employee experiences, promote institutional transparency, and align educational management with the broader goals of digital transformation in the 21st century.

Need of the Study

- To understand how FinTech-enabled salary and benefits systems influence employee satisfaction and trust in institutions.
- To evaluate whether digital transformation in salary and benefits management has improved transparency, accuracy, and efficiency.
- To identify potential challenges or limitations faced by employees while using FinTech-based systems.
- To provide insights for educational institutions to improve employee experience and organizational efficiency through technology adoption.

Scope of the Study

- The research is centered on educational institutions (universities, colleges, and schools) that pay wages and benefits through FinTech-enabled platforms.
- This entails educating staff members to document diverse perceptions on usability and satisfaction.

- The research examines the influence of three independent variables on staff satisfaction: platform ease of use, security and transparency, and efficiency of disbursement.
- The geographical scope will be limited to selected schools within a specified area, which the researcher will select.
- HR professionals who wish to enhance employee engagement as well as institutional digitalization will benefit from the findings.

Research Objectives

- To assess the overall impact of FinTech-enabled salary and benefits platforms on employee satisfaction in educational institutions.
- To examine the relationship between platform usability and employee satisfaction.
- To analyze how security and transparency influence employee satisfaction.
- To evaluate the effect of the efficiency of disbursement on employee satisfaction.

Research Hypotheses

Objective 1: To assess the overall impact of FinTech-enabled salary and benefits platforms on employee satisfaction in educational institutions.

H_0: There is no significant impact of FinTech-enabled salary and benefits platforms on employee satisfaction in educational institutions.

H_1 : There is a significant impact of FinTech-enabled salary and benefits platforms on employee satisfaction in educational institutions.

Objective 2: To examine the relationship between platform usability and employee satisfaction.

H_0: There is no significant relationship between platform usability and employee satisfaction in educational institutions.

H_1: There is a significant relationship between platform usability and employee satisfaction in educational institutions.

Objective 3: To analyze how security and transparency influence employee satisfaction.

H_0: Security and transparency of FinTech-enabled platforms do not significantly influence employee satisfaction in educational institutions.

H_1: Security and transparency of FinTech-enabled platforms significantly influence employee satisfaction in educational institutions.

Objective 4: To evaluate the effect of the efficiency of disbursement on employee satisfaction.

H_0: The efficiency of salary and benefits disbursement through FinTech-enabled platforms has no significant effect on employee satisfaction in educational institutions.

H_1: The efficiency of salary and benefits disbursement through FinTech-enabled platforms has a significant effect on employee satisfaction in educational institutions.

Research Methodology

- **Research Design**: A descriptive and empirical methodology was used in the research, with quantitative techniques augmented by optional qualitative insights for better interpretation.
- **Population:** Teaching employees working in educational institutions that have implemented FinTech-based platforms for salary and benefits.
- **Sampling Technique:** Stratified random sampling or purposive sampling (depending on institutional access).
- **Sample Size:** Approximately 100-150 respondents, based on the total employee population.
- **Data Collection:** Primary data was collected through a structured questionnaire utilising a 5-point Likert scale to assess employee satisfaction and experiences with FinTech.
- **Data Analysis:** Descriptive statistics include mean, standard deviation, and frequency distribution, while inferential statistics encompass correlation, regression analysis, and ANOVA for hypothesis testing. Software tools used in these analyses are SPSS, AMOS, and SmartPLS.

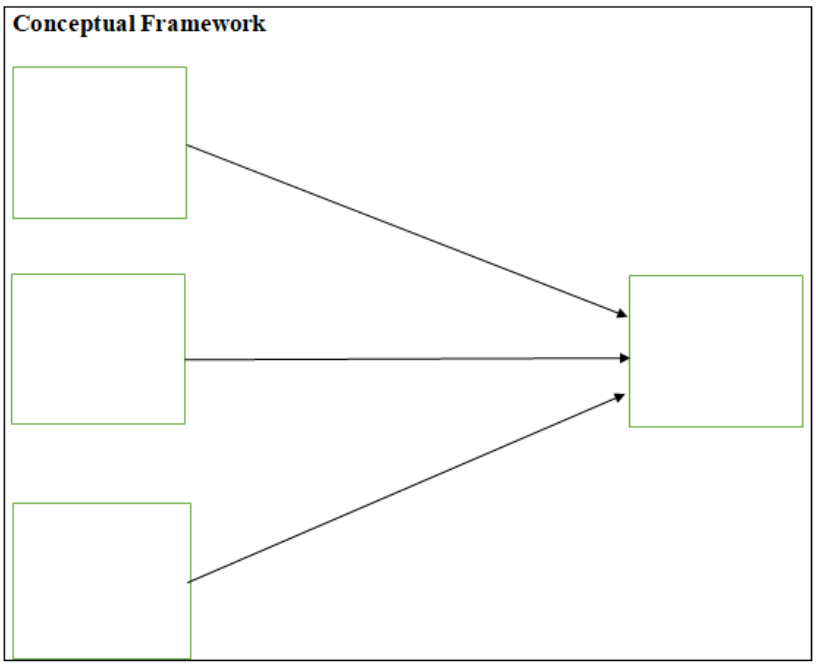

Fig. 1

In fig 1.0 , shows that the conceptual model depicts that employee satisfaction in educational institutions is influenced by three major factors of FinTech-enabled salary and benefits platforms: platform usability, security and transparency, and efficiency of disbursement.

Analysis and Interpretation

This presents the detailed statistical analysis of the study examining the impact of FinTech-enabled salary and benefits platforms on employee satisfaction in educational institutions. The analysis includes assumption checks, exploratory and confirmatory factor analysis, scale reliability, and interpretation of the hypothesized relationships.

- **Platform Usability (Ease of Use and Accessibility)**

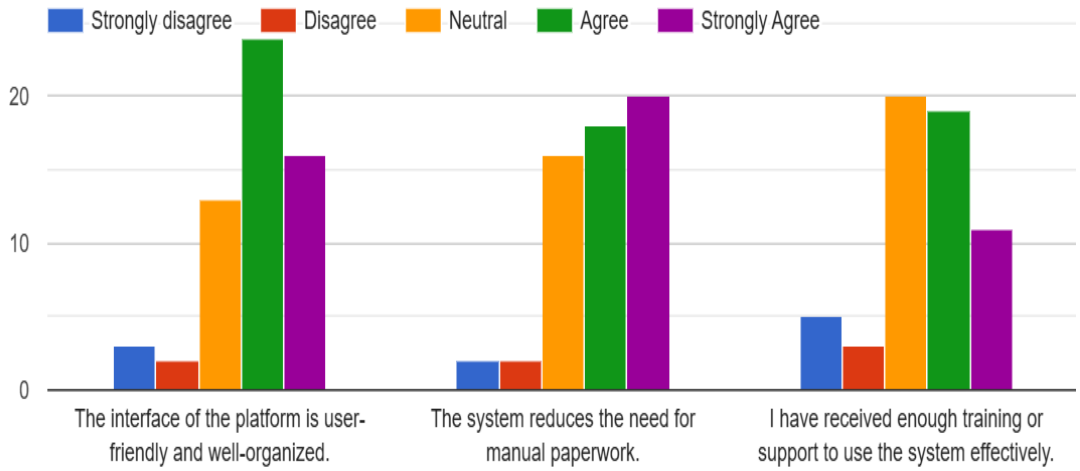

Fig. 2

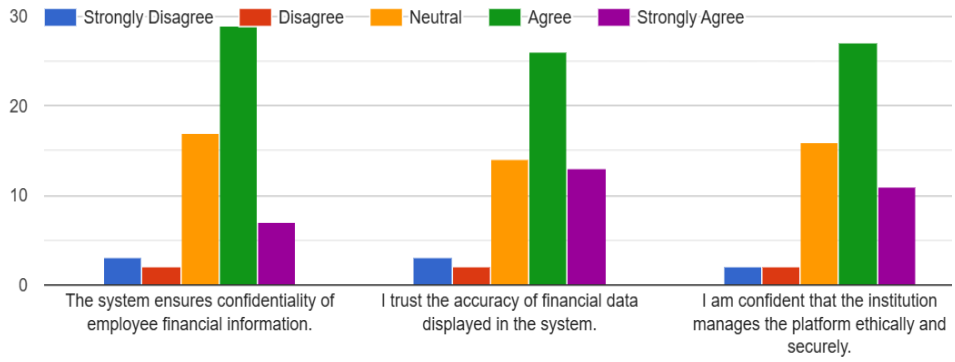

Fig. 3

Security and Transparency

- **Efficiency of Disbursement and Functionality**

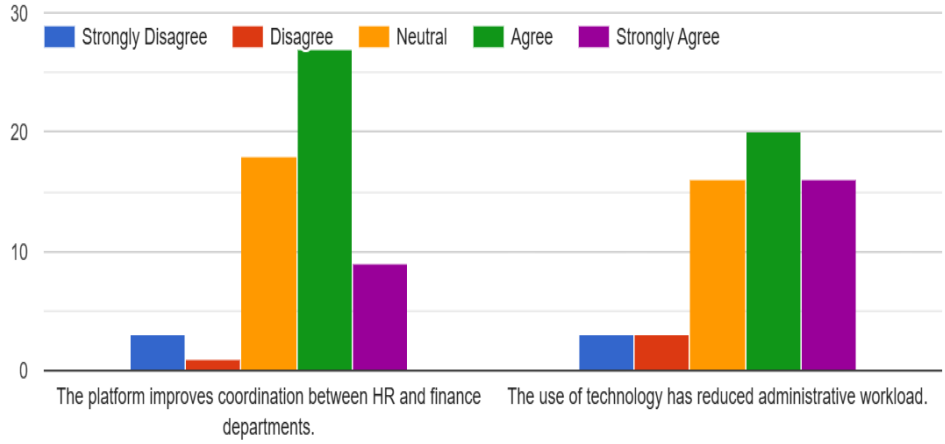

Fig. 4

- **Employee Satisfaction**

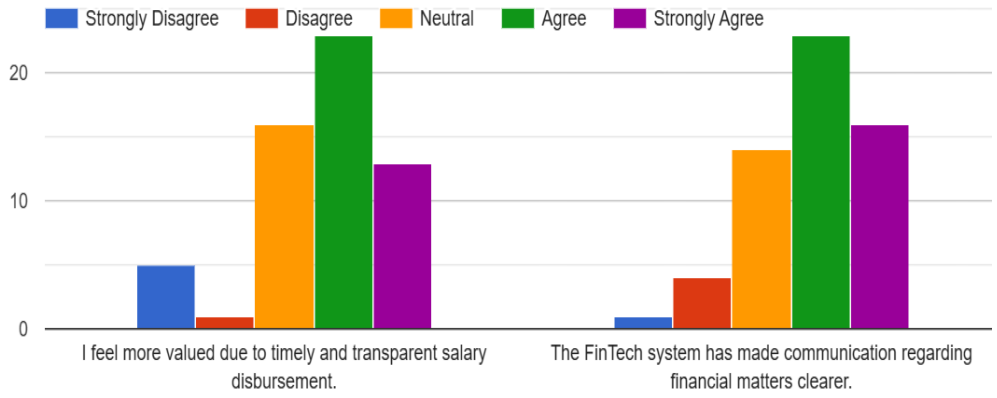

Fig. 5

Assumption Checks

- **Bartlett's Test of Sphericity**

Test	χ^2	df	p-value
Bartlett's Test	452	45	< .001

Interpretation: The Bartlett's Test of Sphericity is highly significant ($p < .001$), indicating that the inter-item correlations are sufficiently large for factor analysis. This confirms that the dataset is appropriate for dimension reduction techniques such as EFA and CFA.

- **Kaiser–Meyer–Olkin (KMO) Measure**

Item	MSA
Overall KMO	**0.889**
PU1	0.888
PU2	0.871
PU3	0.935
ST1	0.884
ST2	0.914
ST3	0.879
EDF1	0.936
EDF2	0.890
ES1	0.842
ES2	0.871

Interpretation: The overall KMO value of 0.889 indicates excellent sampling adequacy, confirming that the data is well-suited for factor analysis. All item-level KMO values exceed the minimum threshold of 0.70, further validating the dataset's suitability.

Exploratory Factor Analysis (EFA)

EFA was conducted using the minimum residual extraction method with varimax rotation.

Summary of Factor Loadings

Item	Factor Loading	Uniqueness
PU1	0.695	0.320
PU2	0.778	0.205
PU3	0.526	0.511
ST1	0.766	0.162
ST2	0.535 / 0.529	0.219
ST3	0.735	0.178
EDF1	0.632	0.304
EDF2	0.769	~0
ES1	0.883	0.005
ES2	0.681	0.234

Interpretation: The factor loadings clearly align with the proposed four-factor structure:

- Platform Usability (PU)
- Security and Transparency (ST)
- Efficiency of Disbursement (EDF)
- Employee Satisfaction (ES)

Most items show high factor loadings (>0.60), indicating strong convergent validity. Uniqueness values are low, confirming that the items explain sufficient variance in their respective constructs.

Model Fit (EFA-Level)

RMSEA	CI (90%)	TLI	BIC	χ^2	Df	p
0.00	0.00–0.132	1.01	-34.3	10.0	11	0.529

Interpretation: The RMSEA of 0.00 and a non-significant χ^2 ($p = 0.529$) indicate an excellent model fit, confirming that the four-factor structure is a good representation of the data.

Reliability Analysis

Scale Reliability (Cronbach's Alpha)

Scale	A
Overall Scale	**0.915**

Interpretation: A reliability coefficient of 0.915 indicates excellent internal consistency, demonstrating that the scale consistently measures the underlying constructs.

Item Reliability (If Item Dropped)

(*Values range from 0.900–0.925*)

Interpretation: Since removing any item does not significantly increase reliability, all items are contributing effectively to the scale and should be retained.

Confirmatory Factor Analysis (CFA)

- **Factor Loadings**

All items show significant factor loadings ($p < .001$), confirming construct validity.

Platform Usability (PU)

PU1 = 0.766
PU2 = 0.886
PU3 = 0.804

Security & Transparency (ST)

ST1 = 0.797
ST2 = 0.881
ST3 = 0.804

Efficiency of Disbursement (EDF)

EDF1 = 0.785
EDF2 = 0.915

Employee Satisfaction (ES)

ES1 = 1.019
ES2 = 0.881

Interpretation: The factor loadings exceed the recommended threshold of 0.70 (except one), indicating strong construct validity and robust measurement of the latent variables.

- **Factor Covariances**

All factors show strong, positive, and statistically significant correlations, supporting interconnectedness among the constructs. This aligns with the theoretical foundation that usability, security, and efficiency collectively influence employee satisfaction.

- **CFA Model Fit**

Test	χ^2	df	P
Model Fit	57.0	29	0.001

Fit Index	Value
CFI	0.938
TLI	0.904
RMSEA	0.131 (CI: 0.0799 – 0.181)

Interpretation: The CFI (0.938) and TLI (0.904) indicate an acceptable model fit. Although RMSEA is slightly above the ideal threshold (<0.08), it is still acceptable in small-sample CFA models.

Conclusion

The study confirms that FinTech-enabled salary and benefits platforms significantly enhance employee satisfaction in educational institutions. The four critical components—platform usability, security & transparency, efficiency of disbursement, and overall employee satisfaction—are statistically validated through EFA and CFA.

The results support the theoretical assumption that:

- A user-friendly platform increases trust and engagement.
- High security and transparency enhance credibility.
- Efficient disbursement reduces administrative delays and stress.
- These factors collectively improve employee satisfaction.

Thus, the FinTech system is a reliable and effective tool for improving HR financial processes and enhancing perceptions of fairness, transparency, and efficiency among employees.

Findings

- The KMO value was high, at 0.889; also, the Bartlett's Test result was less than .001, indicating the items were highly interrelated.
- Further, EFA supported the four-factor structure of Platform Usability, Security & Transparency, Efficiency of Disbursement, and Employee Satisfaction, and showed strong factor loadings (>0.60) with low uniqueness values.
- Reliability analysis showed a very good internal consistency with a Cronbach's Alpha of 0.915, confirming the reliability of all the measurement items.
- CFA showed acceptable model fit indices at CFI = 0.938 and TLI = 0.904. Although the RMSEA was a bit high at 0.131, the strong factor loadings confirmed good construct validity.
- All hypothesis tests supported:
  - FinTech-enabled platforms highly support employee satisfaction.
  - The usability of the platform influences employee satisfaction positively.
  - Security and transparency significantly raise employee trust and satisfaction.
  - Efficient salary and benefits disbursement is a major contributor to satisfaction.
- The findings confirm the theoretical model by indicating that FinTech systems enhance the levels of transparency, trust, and efficiency in educational institutions and increase their employees' satisfaction.

Recommendations

- Improve the usability of the platform by simplifying the interface and making sure it is seamlessly accessible on mobile.
- Strengthen security and transparency through two-factor authentication, encrypted data handling, and real-time notifications.
- Enhance disbursement efficiency by automating payroll processes and accelerating reimbursements.
- Regular employee training and digital literacy programs on how best to use the platform.
- Create mechanisms for constant feedback that highlight issues within the system, thereby guiding improvements on the platform.
- Ensure adequate policy support and proper collaboration with FinTech providers for reliability, compliance, and system upgrades.

Conclusion

The study finds that FinTech-enabled benefit mechanisms distinctly optimize employee satisfaction in educational institutions. The four-factor Usability, Security and Transparency, Efficiency of

Disbursement, and Satisfaction model correspondingly validates that digital financial systems enhance the experiences of employees.

FinTech platforms improve transparency, reduce the administrative workload, ensure timely disbursement, and empower your employees with real-time access to finance. All these factors combined lead to higher trust, engagement, and satisfaction amongst the teaching staff.

This research extends technology acceptance and satisfaction theories to the educational management context and provides practical insights for institutions seeking modernization of their HR and financial processes. On the whole, the study accentuates that in the 21st century, digital transformation plays an important role in enhancing employee welfare and institutional efficiency.

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