# STIMULATING OF UNIVERSITY TEACHERS' WORK IN MODERN CONDITIONS (CASE OF OMSK REGION)<sup>1</sup>

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#### **Abstract**

Today Russian system of higher education is experiencing an era of transformation, including transformation of remuneration systems. The main characteristics of the remuneration of the majority of Russian universities were formed in the late 1990s - early 2000s, and reflected the situation of lack of budget funding. In most universities, salaries of teachers were determined by their position, workload, and the execution of wide list of additional responsibilities and activities. Many universities developed remuneration systems with a large number of indicators, which does not allow highlighting priorities, what leads to dispersion of resources and the inability to use the material incentive tools for solving the most important tasks of the university. Scientific novelty of the research lies in the construction of a typology of remuneration systems used in the universities in the region, assessment the relationship between the parameters of labor behavior and systems of remuneration. The main methods of research are an expert survey of representatives of 10 universities, located on the territory of Omsk region (with the exception of the head branches of universities based outside the region and universities of power orientation), as well as a questionnaire survey of personnel of the state universities in the region.

**Key words:** remuneration, teachers, higher education, Russia.

**JEL Code:** I23, J31, J33.

#### Introduction

In modern conditions the system of higher education worldwide is undergoing a transformation phase (Pascarella & Terenzini, 1998, Enders, 2004, Barber, Donnelly & Rizvi, 2013, Altbach, 2014, Altbach & de Wit, 2015). This is also reflected in the changes in learning technologies and wide use of massive open online courses (Shapiro, Lee, Roth, Li, Cetinkaya-Rundel & Canelas, 2017).

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The trends of development of the Russian higher education system include differentiation of universities (MSU and SPSU, Federal, national research and supporting regional universities), reorganization of the state universities network, changes in educational technologies, reduction of the number of applicants-graduates of schools that increase competition between institutions for dwindling resources, and other (Panfilova, 2010, Galkin, Zueva, Volkov, Klimov, Konanchuk & Mrdulyash, 2016).

Current conditions present a serious challenge for the regional universities, with average characteristics on the quality of activities, which include the universities of Omsk region, not occupying a leading position in the Russian educational space. The success of the activities of most of these universities and their existence in the future are largely determined by how quickly they can adapt to the changed environment and identify their competitive advantages. This task requires the development of the university strategy and personnel involvement in the process of its implementation, including through the use of result-oriented remuneration systems.

The main characteristics of the remuneration of the majority of Russian universities were formed in the late 1990s - early 2000s, and reflected the situation of lack of budget funding. In most universities, the salaries of teachers were determined by their position, workload, and the execution of the typical and wide list of additional responsibilities (career guidance, methodical work, supervision, educational work, cooperation with employers, etc.) and performance of scientific and educational activities. Many universities have gone the way of the development of remuneration systems with a large number of indicators and the use of rating methods of personnel assessment. A wide range of parameters of stimulation does not allow highlighting priorities, what leads to dispersion of resources and the inability to use the material incentive tools for solving the most important tasks of the university.

## 1 Research methodology

The purpose of this study is assessment of conformity between the systems of remuneration and development strategies in universities in Omsk region, identifying the main risks and barriers to the use of these systems, and development of recommendations to reduce them.

The objectives of this research are:

- construction of a typology of remuneration systems used in the universities of the region;
- evaluation of the relationship between the key parameters of the labor behavior of employees (motivation, loyalty, involvement), and used systems of remuneration.

The research methods included an expert and questionnaire survey of state universities located on the territory of Omsk region (with the exception of the head branches of universities based outside the region and universities of power orientation). There were interviewed 32 experts, including top managers of the universities (Rector/Vice-rector), middle managers of administrative and educational units (Dean/Director of Institute/Head of the Department). The list of job positions was chosen due to the need to assess existing processes from different points of view. In the framework of the questionnaire survey there were surveyed 222 representative of the scientific-pedagogical workers of the state universities located on the territory of Omsk region.

#### 2 Research results

Let us consider the main results obtained during the expert survey of top management of universities and a questionnaire survey of scientific and pedagogical workers.

#### 2.1. Expert survey results

Despite the differences in strategies, in fact remuneration systems of universities in the region contain a similar list of indicators. The differences are not so much determined by the strategic priorities of higher education institutions, as by financial possibilities and traditions of the labor collectives.

Thus remuneration systems include indicators controlled by the Ministry of education and sciense of Russian Federation and the founder (fof sectoral institutions) that have a higher importance compared to other indicators. As a result, traditional and important for higher education institutions performance indicators are ceased to be promoted, or are paid at a very low level. Such indicators include the quality of the educational and methodical work, scientific and research work of students, interaction with employers and other important activities.

The results of changing the incentive systems in universities are the cause for serious concern among many representatives of the academic units in connection with the forthcoming introduction of an efficient contract, when the role of assessing the performance of the personnel will significantly increase.

According to the survey of experts there was recorded using the remuneration systems developed by the university administration without broad stakeholder participation. Such systems contain a high risk of opportunistic behavior on the part of employees as they do not contain elaborate mechanisms for effective protection from it.

Models of decision-making on personnel remuneration can be differentiated by several criteria:

- Number of performance indicators. There are two possible options: to use a wide range of performance indicators, or to use a narrow range of priority indicators. Omsk universities have gone the way of the development the material stimulation systems with a large number of indicators and the use of rating methods of job evaluation and remuneration. A wide range of performance indicators does not allow to allocate priorities, what leads to dispersion of resources and the inability to use the material incentive tools for the solution of priority tasks of the organization. A partial solution to this problem was a significant increase in the importance of priority indicators. But there also remains a problem of earning points at the expense of many small results.
- Frequency of evaluation and payments.

In most universities the results of the activities are evaluated annually, although there are shorter periods. Such high flexibility of the stimulation system allows to quickly adjust to the requirements of the Ministry, but does not allow the employees to understand and take into account the requirements of the system in their activities, since the requirements are changing faster than the period of obtaining the result (writing an article in a highly rated journal, implementation of contractual and research work, etc.).

Incentive payments can be made equally by establishing a one-time award or on a monthly basis during the year. In the latter case, the administration ensures a more uniform use of funds, however, this leads to a significant reduction in the effect of incentives, since the size of a one-time payment, such as 30-40 thousand rubles is replaced by a monthly amount of 2.5-3.3 thousand rubles per month, what is not tangible for the employee.

#### - Form of ownership.

Form of ownership of the university also affects the decision-making process on the remuneration of personnel. Thus, the mechanisms of decision-making in private institutions are more rigid and centralized.

In addition, universities use non-salary incentives to employees. This includes a reduction in teaching load of the teacher, as well as the practice of signing short-term contracts. However, senior executives tend to link a reduction in teaching load only with additional scientific, organizational, educational and other work.

The practice of concluding short-term employment contracts for a period of less than five years today is typical not only for private but also for most of the state universities in the region. Representatives of private universities attribute this to the fact that competition for students is forcing them to monitor the quality of educational services carefully and have the ability to change the teacher, if they get a worker with a higher quality of work. Experts from the state universities link the use of short-term employment contracts with changes in workload and number of students.

Expansion of the practice of concluding short-term labor contracts for 1-2 years cannot be estimated uniquely. In some cases this situation can be an incentive to increase labor activity, but in other cases it may be a starting point for finding a new job (Bess, 1998, McPherson, Shapiro, 1999).

#### 2.2. Questionnaire survey results

In the framework of the questionnaire survey there were assessed the attitude of teachers to the remuneration systems used in universities.

First of all, the teachers were asked to rate the understandability of the used remuneration systems and their connection with the development strategies of universities. So, most of the respondents evaluate the existing system of remuneration as absolutely clear (21%) and clear in general (66%). In addition, the respondents are quite positive about the connection of their activities and remuneration with achievement of strategic indicators of the university. According to the survey 40% of teachers evaluate the impact of their activities on the achievement of strategically important indicators of university as significant.

In addition, respondents were asked about the list and frequency of payments received. The results of the responses are presented in table 1.

Tab. 1: The list and frequency of the received incentive payments, %

	Types of payments, % of responses					
		Results of			Participation in	
Frequency of		educational			internal projects	
the payments	Results of	and	Performance		of the	Comprehensive
	scientific	methodical	of additional		university	payment for the
	work	work	duties	Seniority	(departments)	performance
Monthly	0,00%	21,62%	40,54%	8,11%	9,01%	13,51%
One-time	18,02%	21,62%	14,41%	0,00%	15,77%	8,11%
Payment by						
results in the						
end of the year	46,85%	18,02%	8,11%	0,90%	6,31%	37,84%
Did not receive						
payment	17,57%	36,94%	29,28%	90,99%	45,05%	40,54%
Did not						
participate	0,00%	1,80%	7,66%	0,00%	23,87%	0,00%

Source: authors' calculations

Most of the interviewed teachers noted the presence of payments on the results of scientific work, and almost half of them (of 46.85%) received this payment at the end of the year, and

18,02% - one-time. Quite common are payments on the results of educational and methodical work, performance of additional duties as well as comprehensive payment for the performance. The presence of such payments (with different frequency) was noted by 61,26%, 63,06%, 59,46% of the respondents respectively. There is an interesting fact that some employees had performed certain types of work, but they were not getting paid at all. So, 36,94% performed teaching work, 29,28% had additional duties, 45,05% participated in internal projects of the university, but they did not receive payment for this activity. Payment for seniority in the organization is less common, its presence was noted by less than 10% of all respondents.

Further, the respondents were asked to rate incentives that may encourage them to take on additional work – educational, scientific, organizational, and reasons that may entice them to dismissal. Thus, the results of a questionnaire survey showed that in the current situation financial incentives are the most significant for university teachers. The respondents say that they are ready to work more than 1.0 rate, to write additional articles, to do additional organizational work on terms of the extra payment.

An analysis of the potential reasons for the dismissal showed that every second teacher (53%) is ready to think about changing a job in a case of getting an offer with more attractive salary (Fig.1.).

In what cases can you think about moving to another university? If you are offered... More attractive salary Job with fewer paper work, bureaucracy Job with better conditions for scientific activities Job with better conditions for educational activities ■ % responses More stable job (guaranteed amount of load) Job with fewer hours of classroom load, but at the same pay level I don't think about it 15,00% 0,00% 30,00% 45,00% 60,00%

Fig. 1: Potential reasons for changing a job, %

Source: authors' calculations

Also, a significant number of respondents noted such reasons as the job offer with fewer paper work and bureaucracy (39%), job with better conditions for scientific (36%) and

educational activities (26%). This again emphasizes that today the material type of motivation

prevails among teachers of higher education institutions in the Omsk region.

Let us summarize the main results of the study.

Conclusion

Thus, summarizing the results of the study, we can identify the following barriers to the

development of institutions and material stimulation of the personnel as a tool for implementing

changes:

- mass excessive emphasis on the performance indicators of the Ministry of education and

science to the detriment of other performance indicators and the interests of key stakeholders.

This structure of the contract with the lecturer does not solve problems of the development of

the university and the region;

- resource constraints. The analysis shows that there is a need for combination of centralization

and decentralization in the implementation of incentives. However, the order and directions of

resources use in the units should be defined centrally;

- weak feedback (no feedback) when making decisions in the field of material stimulation of

the personnel;

- weak use of intangible incentives in academic contracts, with the exception of shortening the

duration of contracts, the impact of which on employees' performance is extremely ambiguous;

- the predominant material motivation of scientific and pedagogical workers.

In this situation it is problematic to speak of a sufficient coherence of the development

objectives of the higher school on the one hand and instruments of material stimulation of

personnel of universities on the other hand.

Thus, to overcome the barriers mentioned above there must be a qualitative change in

the principles of interaction between universities and the region, the change in the

understanding of mechanisms and principles for the development of universities, as well as

involving personnel in the development and implementation of universities' development

strategies.

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