

## Discussion on the Current Reform Situation of Performance-related Pay in Colleges and Universities and Corresponding Strategy

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**Keywords:** university, performance-related pay, reform

**Abstract:** With the deepening of economic globalization, enhancing the quality of the nation and strengthening the national competitiveness depend on talent team construction, which ultimately relies on education. As the important power of talent cultivation base and scientific work, university plays a crucial role for our country to carry out the three major strategies, including developing the country through science and education, strengthening the country through talents and realizing sustainable development, which is closely related to economic and social development.

### 1. Introduction

With the deepening of world multipolarization and economic globalization, the scientific and technological progress is changing quickly, and the talent competition is getting fiercer and fiercer. After our country experiences the economic take-off and creates “China Miracle“, the economic reform in our country has entered the “tough challenge zone“ and “deep water zone“, which faces unprecedented development opportunity and risk. Enhancing the quality of the nation and strengthening national competitiveness depend on talent team construction to some extent, which ultimately relies on education. According to the indication of the 18th National Congress of the Communist Party of China, “education is the footstone for national rejuvenation and social progress“. As the talent strategy highland, university bears important functions such as talent cultivation, scientific research, serving economic and social development, cultural inheritance and innovation. Besides, university, as the important power of talent cultivation base and scientific work, plays a crucial role for our country to carry out the three major strategies, including developing the country through science and education, strengthening the country through talents and realizing sustainable development, which is closely related to economic and social development.

From perspective of talent cultivation, since the higher education universities in our country increased enrollment in 1999, the gross enrollment rate of higher education universities had increased from 9.8% in 1998 to 34.5% in 2013, gradually approximated to the level of moderately developed countries, wherein, the acceptance rate of college entrance examination had also increased from 34% in 1998 to 78% in 2013, accordingly, the higher education has entered into the stage of popular development, and university has practically become the cradle of talent cultivation. From perspective of scientific research work undertaking, the full-time personnel engaging in scientific research and experiment in universities in 2012 accounted for 9.7% of the national personnel, while the personnel publishing science and technology theses and works accounted for 73.6% and 82.9% respectively of the national personnel, moreover, the personnel applying for invention patent authorization were increasingly year by year, from 8.8% in 2005 to 15.9% in 2012 and higher than the output level per capita of the nation, and university has gradually become the important highland for scientific research. As the specific bearers of talent cultivation and scientific research project, teacher is the key power to enhance education and teaching level of universities as well as scientific research ability. Establishing and perfecting teacher incentive mechanism, improving the work, learning and life situations of teachers constantly, enhancing the treatment and social position of teachers are beneficial for teachers to be dedicated in scientific research and effectively attracting excellent talents to join in the teaching staff team, which are the important channels for universities to improve teaching quality and promote higher education connotation development.

## **2. Current implementation situation of performance-related pay reform in universities of our country**

Beijing and Shanghai all have formulated unified life subsidy criteria for retirees of public institutions (including compulsory education schools and other public institutions), wherein, the expenditures are all undertaken by the Ministry of Finance, especially the retirees of universities in Shanghai have been incorporated into endowment insurance system, which allows the universities in Shanghai to bear the expenditure for in-service staff only in the performance-related pay reform process, therefore, they face relatively less expenditure pressure. In view of the performance-related pay of in-service staff, Beijing has ratified the total subsidies for universities in recent years, but quite a part of universities enjoy more in reality. Aiming at this, Beijing Municipal Education Commission collaborate with related departments to allow proper increase of the total performance-related pay in universities, meanwhile, this city plans to list the high-level talent introduction expenditure out of the total performance-related pay. In 2011, the performance-related pay regulation line in Shanghai was about 80,000 per capita in each year (based on increase in basic salary, the annual salary per capita can reach to 100,000). Besides, when the total performance-related pay for public institutions was ratified (including universities) in 2012, proper inclination was allowed to the institutions with concentrated high-level talents.

Currently, the post performance-related pay system implemented in universities of our country is determined by the nation, while specific implementation methods for performance-related pay reform are determined by various provinces based on the institutional framework and actual situation. According to the overall implementation situation of performance-related pay system in universities of Beijing and some provinces (cities) in East China, most provinces and cities provide policy support to the universities to some extent, for instance, When Beijing and Shanghai ratify the total performance-related pay for in-service staff, they allow proper inclination to the institutions having concentrated high-level talents; while Zhejiang and Anhui refer to the salary level of compulsory educators and civil servants to allow universities to have 50-100% fluctuation based on this. In view of expenditure for retirees, the Ministry of Finance bears the responsibility basically in Beijing and Shanghai, moreover, the Ministries of Finance in Jiangsu, Zhejiang and Anhui also provide certain subsidy. In addition, Jiangsu also adopts the mode of adjustment fund to allow universities to enjoy certain increase and effectively regulate the income of universities, which is a relatively flexible policy.

## **3. Countermeasures and suggestions on performance-related pay reform in universities**

University undertakes four functions including talent cultivation, scientific research, serving economic and social development, cultural inheritance and innovation. University teacher, who is specific implementer and different from general labors, undertakes the important responsibilities of teaching and educating people as well as cultivating national constructor. During the period of performing responsibilities, though teachers can not directly create material products, “their labor work is presented from special commodity which is presented in the commodity existing with form of labor“. Therefore, university teachers bear complicated scientific labor work which center on brainwork, and they need to comprehensively rely on physical power, mind and body as well as emotion to carry out talent cultivation work.

### **3.1 Raise schooling expenditure through multiple channels**

In the long run, if universities can not raise expenditure by themselves, the salary level of teachers will be limited by government grant and recruitment situation. Compared with domestic universities, overseas universities raise expenditure in a diversified way, including return on serving the society and social donation besides government grant and income from miscellaneous fees. Especially the world-famous universities pay more attention to social service and they accordingly get good return. Therefore, domestic universities should also fully refer to the successful experience of overseas famous universities, stop standing still but strengthen connection with industrial

enterprises, establish the platform for serving the society and constantly expand expenditure channels.

### **3.2 Establish effective performance appraisal system**

Performance appraisal is the premise and key of performance distribution, from perspective of salary system of universities in developed countries (areas), the market-orientated universities have relatively perfect performance appraisal system, and the salary incentive role is more dominant. From perspective of overall principle for performance appraisal system establishment, classified and layered appraisal system should be adopted. Firstly, universities should base on the development orientation to determine incentive orientation, for example, the academic universities, applied-type undergraduate universities, vocational and technical universities lay different emphasis on incentive orientation. Secondly, universities should fully give play to the role of secondary college (department), allow the college (department) to carry out specific classification appraisal method according to subject construction and development orientation of teachers. In view of teaching staff type, teachers can be divided into three types of scientific research, teaching and scientific research, teaching (including theoretical teaching and practical teaching), wherein, different appraisal indicators should be formulated aiming at different types of teachers thus to motivate their vitality to the largest extent. What's more, the appraisal operability and effectiveness should be emphasized in actual performance appraisal process, for example, in view of appraisal term, "non-fixed term appointment" can be adopted for high-level teachers undertaking major topics, during the employment period, they can escape from annual performance appraisal and are encouraged to engage in academic research. Currently, some universities in Fujian have gradually referred to the practices of some overseas universities to adopt similar "lifelong employment" and "transfer without promotion", for instance, Xiamen University carries out lifelong employment system for high-level teachers and well-known professors, Huaqiao University adopts post transfer system for the teachers who have been working for over 12 years but fail to be promoted to a higher-level position, namely, they will be transferred to tutoring position and other non-teaching positions.

### **3.3 Stress and improve the treatment for young teachers**

With rapid development of higher education, universities have accordingly enlarged supplementation of young teachers, wherein, the young teachers under 40 years old occupy a relatively high proportion in the teaching staff. For example, Xiamen University and Fuzhou University have begun to introduce overseas scholars and young doctors since 2000, and most of them have gradually become the academic cadres. Moreover, Fujian Normal University has established "cultivation fund for excellent young cadre teachers" since 2008, in which year a batch of excellent young cadre teachers were selected as the cultivation objects, during the cultivation period of three years, each person was given subsidy of 10,000-15,000 Yuan per year. In recent years, Fujian Agriculture and Forestry University has begun to pay attention to cultivation of young teachers, wherein, it provides annual subsidy of 50,000 Yuan to the selected excellent young scholars and annual subsidy of 30,000 Yuan to promising academic teachers. Most universities provide protection period of three years for introduced excellent doctors who will enjoy the treatment like associate professor during this period; Meanwhile, universities encourage young teachers to go overseas for further study by supporting them with subsidy of 100,000-150,000 Yuan thus to guide them to engage in scientific research for teaching work. In addition, universities also exist with problems, for examples, the teachers of early 40 years old can enjoy the treatment of young teachers owing to age limitation, furthermore, they fail to increase their treatment through position promotion owing to limitation of advanced position quantity, if this part of teachers who are one of the cadre powers enjoy low treatment, their work enthusiasm will certainly affected. Therefore, in view of performance distribution, universities should avoid providing treatment based on title or qualification simply but should pay attention to the treatment of young teachers, for instance, universities can incline to teaching workload and adopt the mode of "more pay for more work, better payment for better work" to increase the treatment of young teachers thus to motivate

their work enthusiasm and stimulate their creativity.

#### **4. Conclusion**

Only when universities further perfect their performance-related pay system, reasonably determine the total performance-related pay, guarantee performance-related pay to be in place, establish scientific performance appraisal mechanism, make an overall planning of the distribution relationship of various personnel, and establish perfect performance distribution incentive mechanism can they attract excellent talents and enhance the quality of teaching staff thus to promote overall enhancement of higher education level in our country.

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