

SCTMG 2020

International Scientific Conference «Social and Cultural Transformations in the Context of Modern Globalism»

EMPLOYMENT PERFORMANCE-BASED CONTRACT AS A TOOL TO MANAGE UNIVERSITY'S DEVELOPMENT OF TRANSFORMATIONS

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Abstract

The paper presents the results of conceptual development of the model of performance-based contract of employment as a functional tool to manage the strategic development of a university in the context of transformations. The obtained results are based on the adaptation of the methodology of the balanced system of indicators and key performance indicators to the specificity of the development management systems of educational organizations; decomposition of priority objectives and tasks of educational organizations in terminology of the classical management theory and modern concepts of management of educational organizations, as well as on the basis of definition of target functional blocks of performance-based contract of employment, which is aimed at fostering the resource potential of educational organizations. As a result of the study it can be concluded that the functionality of the performance-based employment contract used to manage the university's strategic development in the context of transformations is determined by the quality of scientifically sound methodological development of a balanced system of targets and the corresponding key performance indicators.

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Keywords: Strategic management, sustainable development, development management, educational organization, university.



1. Introduction

The globalization of the market of educational services, integration and transnationalization of the educational space combined with the modernization of the institutional and legal structure of the educational services market, which takes place under the influence of the unification of standards of the international educational space, makes the development of functional algorithms to ensure the efficiency of strategic development of universities quite relevant. The transition to new technological patterns poses new challenges to the educational system both in the Russian Federation and in the global space. The global reconstruction of educational systems against the background of world integration and new principles of international relations influence the change of criteria for assessing the efficiency of educational organizations. In these conditions, the problem of defining the correct vector of development of the management system in educational organizations is quite relevant both in the long term and in the medium term perspective.

High stochastics of transformations, differentiation of levels and conditions of educational programs in the global space, as well as resource restrictions of the infrastructure require higher educational institutions to improve their management systems. Development management of an educational organization is a multiple-aspect task, which predeterminates the application of the project approach to sustainable development management.

2. Problem Statement

Current trends in the global education are mainly determined by the following objective factors:

- labor market, which is developing under the influence of the demographic situation and migration policy, as well as transforming in response to changing requirements of employers to the level of qualifications and sets of labor functions;
- institutional, legal and regulatory framework that defines the requirements for an educational organization and the quality of students' training;
- level of scientific and technological development of countries, regions and mesoregional transport systems and the differentiation of these levels.
- The potential for the development of education in the Russian Federation is determined by specific geostrategic location of the country:
- potential for export of engineering infrastructure and training of personnel ensuring the implementation of international infrastructure projects;
- potential for export of educational services, including via networks;
- potential for transition to a continuing learning model through the application of sectoral qualification frameworks and the development of additional professional education;
- market leadership potential due to differentiation of regional and country directions of Russian education export with integrated consideration of demographic, socio-economic, historical-cultural and geopolitical factors, as well as labor markets and Russian economy and politics.

The Modern system of higher education appears in the form of a complex hierarchical hypernetwork system simultaneously influenced by technological transformations, modernization of institutional and legal conditions and change of demand parameters for both educational products and graduates. Technological transformations are caused by the transition to new technical and technological standards and the development of breakthrough innovations, which changes not only the requirements to the level of qualification of specialists, but also forms other criteria of this level of qualification. The priority of development and implementation of breakthrough innovations included into the program documents of long-term strategic development of the Russian Federation requires the educational system to modernize and apply foresight technologies in the mechanism of strategic development of universities.

The priority vectors for the development of universities are stipulated in the roadmap for the development of the Russian educational system. However, despite the existence of a step-by-step description of planned results, there is no functional mechanism for effective management of resources within educational organizations, which would ensure the achievement of indicators strategically important for the university itself and for the Russian education system in general. From this perspective, the issue of finding tools to ensure balanced development and increase the resource potential of educational organizations seems quite relevant, the most promising of which is the performance-based contract of employment formed in line with the methodology of a balanced framework of indicators and key performance indicators.

3. Research Questions

The study of the functionality of the performance-based contract of employment as a tool to manage the strategic development of a university in the context of transformations requires the solution of a number of interrelated research tasks.

1. Adaptation of the balanced system of indicators and key performance indicators to the specificity of development management systems of educational organizations.
2. Decomposition of priority objectives and tasks of development of educational organizations in terminology of classical management theory and modern concepts of management of educational organizations.
3. Identification of target functional blocks of the performance-based contract of employment focused on activation of resource potential of educational organizations.

4. Purpose of the Study

The purpose of the study is to analyze and evaluate the functionality of the performance-based contract of employment as a tool to manage the university's strategic development in a transformational environment.

5. Research Methods

The study is based on a theoretical basis formed from the postulates of the quantitative school of management theory, the concept of balanced measures, the concept of key performance indicators; theory

of systems, theory of network economics, theory of organizational management, modern concepts of theories of uncertainty and risk management, concept of strategic algorithm.

In addition to popular scientific methods of research the research methodology includes the system-diagnostic analysis in the direction of system-functional approach, methods of project management, group of methods of fuzzy set theory in the context of management decision making.

The information and empirical basis of the study included the materials formed as a result of monographic review and analysis of scientific and periodic publications presented in international electronic libraries, as well as the authors' calculations, made within the framework of modeling of indicators of the performance-based contract of employment on the basis of monitoring data of educational organizations of the Russian Federation.

6. Findings

1. Adaptation of the balanced system of indicators and key performance indicators to the specificity of development management systems of educational organizations.

Development management systems of educational organizations are oriented towards long-term sustainable development. The development of the concept of sustainable development represents the decomposition of gradual phases of the strategic algorithm. The analysis of the context is ensured by the results of analytical processing of trends and tendencies in the development of Russian and global educational systems, strategic guidelines for the development of the Russian economy and priorities for the development of specific mesoregional factors. At this stage for the benefit of the functional performance-based contract of employment it is advisable to identify two blocks of indicators: key indicators for the system of state monitoring of educational organizations and indicators defining the achievement of the future vision – concepts of long-term development of a university. At this stage the method of analysis of hierarchies (Analytic hierarchy process) of Saati and Kearns (1991) for the correct choice of optimum prospects of development of the educational organization is quite reasonable. Each perspective shall correspond to the pools of interests of education stakeholders (employers, students and their legal representatives, scientific and pedagogical workers, the state). It is through these perspectives that the interests of stakeholders will be satisfied and the corresponding values will be created.

Once a set of target development perspectives is chosen, there is a need to establish strategic guidelines within each perspective. It is also necessary to decompose the strategic guidelines into pools of targets and to initiate the mechanism for their harmonization. After verification of strategic guidelines, identification and balancing of goals it is natural to start the strategic analysis.

During the phase of strategic analysis, internal and external resources and restrictions of educational organizations were studied. In the absence of management decision systems in an educational organization, the SWOT analysis can be applied involving the formation of a SWOT matrix with further study of strategic vectors and the formulation of strategic initiatives.

Each strategic initiative should be defined by indicators that shall be observable, measurable and have a specific measurement period. It is the possibility of quantitative measurements that forms the basis for further development of the system of balanced measures and key performance indicators (Saiyidi Mat Roni et al., 2002).

The result of the previous stages is the formation of the management policy of the educational organization according to components, i.e. in fact, the decomposition of a number of strategic objectives on sub-objectives. The objectives of the lower hierarchy shall be set through their harmonization, for which purpose it is useful to apply a profile toolkit (for example, Gantt chart from the project management methodology). The objectives of the upper and lower levels of the hierarchy shall be disclosed in the system of specific indicators that reflect their achievement over a certain period.

The next logical step is to start immediate implementation of the strategy.

2. Decomposition of priority objectives and tasks of development of educational organizations in terminology of classical management theory and modern concepts of management of educational organizations.

At the current stage of development of the Russian educational system, most priority development objectives are decomposed into tasks and indicators for the following clusters of labor functions of research and academic staff and administrative and management office of educational organizations: academic work; organizational and methodological work; scientific and design work; educational and extracurricular work; organizational and administrative work. At the same time, the groups of indicators characterizing the activities of educational organizations within the framework of state monitoring have different interpretations: academic activities; research activities; international activities; financial and economic activities; teaching and research staff wages; employment and additional indicators (Franceschini et al., 2019).

The reasonable depth of decomposition of groups of performance indicators of an educational organization is determined by strategic guidelines. At the same time, the objective indicators shall be balanced among themselves, including taking into account the risk-oriented approach and using system-diagnostic analysis (Andreeva, 2015).

The development of educational services within the framework of university complexes shall move towards the best world practices:

- introduction of consulting and coaching elements within the framework of early career guidance to ensure correct choice of profession, level of education, specialty or field of training;
- development of flexible project groups in the academic environment to ensure the individualization of students' educational trajectory;
- expansion of practice and institutionalization of active forms of education within the higher school to develop leadership potential, emotional intelligence, teamwork skills, customer interaction skills (external and within internal business processes), digital competences and their application (Davidoff, 2019);
- servitization of educational services through digitization of the educational process;
- objectivity of assessment systems of competences of young specialists and approximation of evaluation criteria to real requirements of labor market (introduction of assessment elements, technology of individual development plans, feedback practice after assessment procedures);
- development of procedures for evaluation and ranking of research and teaching staff as the representatives of a franchise office of educational services (introduction of assessment

elements, technology of individual development plans, feedback practice after assessment procedures);

- development of free discussion group practices and co-working zones to exchange experience between the representatives of an educational organization, students and employers;
- development of laboratory bases ensuring the formation of key competences necessary for breakthrough innovations;
- development of the necessary infrastructure for the implementation of the project approach in education (attraction centers, co-working zones, creative laboratories, etc.);
- development of infrastructure for digitalization and gamification of the educational process;
- development of staff potential of educational organizations, restoration of functionality of the system of training of research and teaching staff.

These priority vectors are essential tasks of Russian universities. However, the mechanism for their implementation is still unclear under resource constraints. From this perspective, it would be useful to include key development objectives into performance-based contracts of employment.

3. Identification of target functional blocks of the performance-based contract of employment focused on activation of resource potential of educational organizations.

The modern interpretation of efficiency in strategic management theory is still oriented towards the correlation of result and cost. The Russian educational system has already established the practice of performance-based employment contracts. At the same time, the vast majority of them are based on traditional labor functions of research and academic staff, rather than on the achievement of the university's strategic objectives. This leads to the implementation of a reactive model of development and institutionalization of anti-crisis management as a dominant concept of management.

In such circumstances, the achievement of strategic priorities often does not cross the boundaries of formalization and does not give a tangible increase in the efficiency and performance of an educational organization. Thus, the tasks of advanced development of educational organizations (such as transition to the project-based model of educational programs, inclusion of components fostering the development of flexible business communication skills (soft-skills) and T-shaped skills into educational programs, introduction of the model "university as a students' holding" in priority training fields that meet the requirements of the Russian strategy of scientific and technical development, development of international network educational programs for co-adaptation of professional, including highly specialized, competences) are not part of the standard functional field of full-time employees of educational organizations and thus risk to remain declarative.

In order to overcome the limited functionality and realize the system of staff motivation within educational organizations, it is advisable to introduce an advanced system of performance-based employment contract, including key performance indicators thus ensuring the achievement of strategically significant objectives. Clustering of tasks according to functional fields, targeting framework for each indicator for a specific period and setting financial and non-financial incentives for achieving target indicators will provide the educational organization not only with a functional mechanism of

development management, which allows integrating the groups of interests of all participants of the educational process, monitoring and controlling the algorithm of the strategic process.

In our view, the target functional clusters shall be determined according to the type of university and the priority objectives of its development. This will make it possible to correctly balance sustainable development in basic areas of activity and advanced development in selected priority fields.

7. Conclusion

As a result of the study it can be concluded that the functionality of the performance-based employment contract used to manage the university's strategic development in the context of transformations is determined by the quality of scientifically sound methodological development of a balanced system of targets and the corresponding key performance indicators. The use of analytical support methods for management decision-making to model key indicators of the performance-based employment contract can improve the resource potential of an educational organization in order to achieve its strategic development objectives.

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