

A novel Appraisal tactic in private Higher Education sector

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Abstract: Appraisal methods and techniques have proven to an essential factor of employee retention. However, the private higher education sector usually faces a situation of lack of funds to meet its operations. Thus, in such a situation, employee retention becomes a question of the hour. The paper suggests a critical and constructive but lesser financial strain method of appraisal system.

Keywords: appraisal, retirement benefits, corpus fund.

Introduction: The ever rising human needs have paved way for industrial revolution and a scope to hardwork. This hardwork has given rise to increased demands for pay compensation either fixed or variable. Also performance appraisal has become a central factor to employee retention. The paper suggests a novel tactic in appraisal system. The scope of the research article is only the private higher education sector.

Literature survey: One third of the faculty gave the reason for leaving jobs as salary[1]. The faculty attrition levels in private sector is 19% [1]. The salary constraint alone accounts for 43 % of attrition rate across the faculty work force while professional advancements account for 28%[1]. The median time to exit a tenure track position is 10.94 years[2]. The mean retirement age of a faculty at a private organization is 66.3 years[3]. Annual faculty attrition due to retirement is 3.65% [3]. The median replacement needs of attrition rates at all ranks is 9.70 % [3]. The pension trust regulates the mutual pension contribution of an employee-employer to be ten percent of the basic pay plus dearness allowance [4]. The provident fund contribution is a twelve percent of basic + DA, to a maximum[5].

Methodology:

Hypothesis: The total amount of performance appraisal is divided into pension/provident fund, gratuity and take home components in the ratio of 30:30:40.

The initial pay compensation of an employee would be on agreed levels. But the annual appraisal is usually a part of the variable pay. In academic sector, the annual increments are usually in the range of two to three percent. Instead of increasing the monthly salary, let the employer initiate a more philanthropic mode of appraisal, as shown in the table 1.

Parameter	Variable
annual increment every year	One percent increment deposited to NPS account /Provident fund (30 percent of appraisal)
During ten years	Gratuity (30 percent of appraisal)
Take home	40 percent of appraisal

Table 1: appraisal terms

Usually, private sector suffers financial crisis. Thus, appraisals are an added burden to the already suffering organizations. In the suggested system of appraisal, either the National pension system or the provident fund contributions accumulate a government given interest apart from the employer-employee contributions. Thus, its an indirect cumulative benefit and also meager financial strain to the employing organization. Although the annual appraisal would be only one percent, the actual NPS/ PF contribution results to be 2.8 percent. The 0.8 percent accounts for the annual interest rate given by the governing body or the regulating authority of NPS or provident funds. Thus, the employee would lead a happy and stable life with an added security of life. With this system of appraisal, the employee would put the working organization before himself in any act or deed at work. Thus, also controlling attrition rates.

Conclusion: The novel appraisal tactic suggested in the paper builds goodwill among employees besides a robust financial situation. Also, it builds a work environment for excellence instead of a fight to survive. Moreover, the employee has a huge corpus accumulated by the time of retirement. Thus, in the process of satisfying the pyramid of needs, the employer gains the faith of employees either consciously or sub-consciously. However, the suggested tactic is subject to implementation of pay commissions regulated time-to-time by government of India.

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