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**Faculty Unit as a Part the University System: Towards Better Performance**

**(Case of Faculty of Economics and Management, Slovak University of Agriculture in Nitra)**

**Keywords**

Motivation system, budget, performance, priorities, faculty, teacher, researcher

**Abstract**

The chapter shows based on practical example how a proper motivation can increase the level of satisfaction regarding the rewarding system at the faculty unit and how it can stimulate toward higher research outcomes and performance. As it shows the motivation system can be a matter of change in the period of time depending on priorities of the faculty development of specific development tasks or other priorities set up by official authorities of the institution, ministry or accreditation agency.

**Situation**

Universities are top educational, scientific and artistic institutions. The mission of universities, which are a part of the European Higher Education Area and the Common European Research Area, is to develop harmonious personality, knowledge, wisdom, good and creativity in people and to contribute to the development of education, science, culture and health for the good of society as a whole, and thereby contribute to the development of a knowledge-based society. The fulfillment of this mission is the main activity of universities. The main role of higher education institutions in fulfilling their mission is the provision of higher education and creative scientific research or creative artistic activity.

Universities fulfill their mission (according to the Higher Education Act of the Slovak Republic) as follows:

a) Education of professionals with the highest level of education, high moral principles, civil and social responsibility,

b) Education in the spirit of values of democracy, humanism and tolerance, and leading students to creative, critical and independent thinking, healthy self-confidence and national pride,

c) Education for the understanding, conservation, dissemination and enhancement of national cultural heritage and cultures in the spirit of cultural pluralism,

d) Developing, preserving and disseminating knowledge through research, development or artistic and other creative activities,

e) By providing further education and continuing education,

f) By engaging in a public debate on social and ethical issues and on shaping civil society,

g) By creating theoretical models of the development of society, economy, culture and art, especially for the needs of state authorities, municipalities and higher territorial units,

h) By developing international, especially European cooperation by supporting joint projects with universities abroad and other foreign institutions, mobility of staff and university students, and mutual recognition of study and education documents.

Funding in Slovakia is largely a matter for the state. The basic source of funding for universities in Slovakia is the state budget. By introducing a multi-source funding system, universities have been able to gain some of their own resources from other sources. Based on the new concept of the reform in year 2000, the Government Program Paper on the Concept of Further Development of Higher Education in the Slovak Republic for the 21st Century was created. Committed to, the amendment to the Higher Education Act no. 131/2002 Coll. as amended (1). In Slovakia universities are divided by sources of funding into state universities, public universities and private universities:

• State universities - funded exclusively from the state budget,

• Public universities - different sources of funding: from the state budget and other sources,

• Private universities - own funding sources.

In public universities, the optimal level of funding distribution is set at about 60% from the state budget and 40% from other sources. In addition to its own funding sources, a private university may apply to the Ministry of Education, under certain conditions and governmental approvals, for the provision of a grant for the implementation of accredited programs, for research, development or artistic activity, and for the development of a university.

**The funding of higher education institutions from the state budget** is based on a methodology determined by the Ministry of Education of the Slovak Republic individually for each academic year. They are subsidies provided by the state for operation of universities, including resources from the Structural Funds. Finance is tied to university performance in education and science. In the field of education these factors are taken into account:

* The number of students according to the level of study (level Ist, IInd), enrolled graduates,
* The personal and economic demands of study programs,
* Scientific school - Numbers of students at IIIrd. level (PhD.)
* Publishing activities (number of publications),
* Internationalization of study (numbers of foreign students),
* Projects (national projects, international projects)

In the Higher Education Act no. 131/2002 Coll. states that the funds allocated to universities in the form of subsidies serve their purpose in the field (2):

* student education in accredited study programs,
* research, development or artistic activities,
* further development of universities,
* and social support for students (social scholarships).

Other sources of funding for higher education can be provided from the university business activities, from its own resources, money obtained from national and foreign grants and projects. Other sources are contributions and donations earned from sponsors mostly bonded to some purpose. Intellectual property revenues may also be a financial source.

A legal option to raise funds for research and development and to cover capital expenditure is borrowing from bank institutions.

Business activity can be focused on various activities that are enabled by the focus and opportunities of a university. It is an activity developed by individual components of the university (separate faculties, departments or individual working teams) that work with external customers.

At the Slovak University of Agriculture in Nitra, this activity focuses on research and development in the field of biology and chemistry for external customers in agriculture and food industry. These test methods serve to improve the taste and quality of food and agricultural products. The Faculty of Engineering participates in the technical support of external companies in various projects. The university also includes a Botanical Garden, which also contributes with its products to support these activities. In the field of pedagogy, business activity is aimed at organizing various courses and educational events. The university also engages in business in the form of renting space and real estate. Finally, Faculty of Economics and Management has been implementing several commercial projects related to economic, marketing or managerial advisory service.

The university can also raise its finances from its **own resources**. They are tied to tuition fees and study fees:

* for external form of study,
* for parallel study - that is, when a student is simultaneously studying in two fields of study or simultaneously studying at two universities, in which case the state pays only one study and the other must be payed by the student individually,
* Extraordinary study - the study is paid to the student only in the standard length of study, if this length exceeds, he / she has to pay for the extra years.
* Students from abroad - paying students include also English language learners,
* Lifelong learning - also part of the study forms that the student has to pay himself,
* Different charges (for accommodation, meals).

**At the Slovak University of Agriculture in Nitra, university teachers are ranked according to internal documents in salary categories 12 to 14.** Employee in the position of a assistant professor with the required academic degree Ph.D. is included in salary category 12, an employee at the position of an associate professor with the required academic title of an „associate professor“ is ranked in salary category 13 and employee on the functional seat of a professor with the required academic title „Professor“ is ranked in salary category 14.

The Ministry of Education of the SR does not specify the number of teachers, but for the sustainability of high quality teaching, there should not be more than 20 students per one teacher.

**Background**

The Faculty as an academic institution of the University provides education and research in specific fields according to its focus and in the conditions of the Slovak University of Agriculture in Nitra receives its budget based on its performance indicators. Faculty has the right to decide on the system of additional rewards even the basic salary is fixed based on common rules.

The salary of the faculty staff consists of two components:

* Fixed component (based on official fees for public higher education teachers)
* The variable component (which is an additional motivation)

It is the variable component that represents a motivating tool used by faculty management. Faculty management has priorities that arise from the following facts:

* Priorities that must be implemented for the good functioning of the faculty,
* Priorities related to university tasks,
* Priorities related to priorities of the Ministry of Higher Education,
* Priorities related to the accreditation process,
* Priorities related to further strategic development of the faculty.

The Faculty of Economics and Management has the following priorities, resulting from the main objective of building a successful and competitive economic faculty:

* Maintain the high quality of the learning process,
* Offer attractive study programs,
* Building the image and reputation of a high-quality educational institution,
* Get a high rating in the accreditation process,
* Publish high-quality science articles and studies in renowned journals (registered in databases WoS, CC and Scopus),
* Acquire educational, scientific-research and commercial projects and work with practice.

The motivational tool - the variable reward component - varies depending on individual performance. The evaluation system must be approved by the Academic Senate of the faculty, usually for a period of one year. From 2015 onwards, there are precisely defined criteria at FEM SUA in Nitra for obtaining a variable wage component. Criteria have been the subject of several month bargaining and discussion between faculty leadership, heads of departments, the academic senate, and the trade union representatives. It is necessary to mention also the fact that this motivational tool account usually 10 – 30 % of fixed salary, but in case of very high performance it can be over 30 % with maximum up to 100 % of fixed salary.

**Options and Actions**

System of variable component considers all kinds of teacher´s activity: teaching, research, publications and others. According to the importance of different activities for the accreditation processes in the table 1 we can see the share of each activity in percentage on total variable component.

**Table 1: Share of different categories on overall variable component**

|  |  |  |
| --- | --- | --- |
|  | **Performance category** | **Share** |
| 1. | Performance in educational activities | 30 % |
| 2. | Performances in scientific-research and publishing activities | 40 % |
| 3. | Performance in project activity | 15 % |
| 4. | Other activities - reserve of the head of department | 15 % |
|  | Sum | 100 % |

Source: FEM SUA in Nitra: internal documentation 2018

Percentage has been set up based on very long discussion as there are different opinions on faculty priorities as it is described below:

* One group of teachers prefers teaching as the most important criterion and another group of teachers prefers research and research outcomes.
* In reality it is true that without research outcomes the faculty is not able to reach high accreditation score, but on the other hand day-to-day satisfied students are also very important and account very significant feature of high quality performance.
* At the end of such discussion we came up with conclusion that fixed part of salary is predominantly devoted to teaching outcomes and therefore variable component would be devoted predominantly to the research, publication and project outcomes (40 + 15 %).
* In this structure there is also 15 % defined as the reserve of the head of department as we consider the position of department as very important from managerial point of view and without motivation tool he/she would has less managerial power and respect.

***Performance in education***

Table 2 shows assessment of performance in education. There is different coefficient for teaching one hour of seminar versus lecture versus teaching in English. At the Faculty of Economics and Management there are 3 study program offered in English language, so motivation to teach in English is very important. In classes tough in English there are also Erasmus or other foreign students so in this way we create also reputation of institution with possibilities to find courses in English (actually it is about 70 courses offered in English). Special attention is devoted to supervising bachelor or master thesis and doctoral thesis as well. There is official rule that one teacher can supervise up to 10 bachelor and master students together and up to 5 doctoral students. With this official rules the faculty management follows criteria set up by the accreditation agency. If there is a person with number of bachelor, master or doctoral students over this limit, he/she is flagged for violation of the rules and his/her performance over the set limit is not rated.

Assessment of performance in education is set up based on quantitative criterion and does not consider qualitative level. To evaluate qualitative level, at the faculty and university there are established the Boards of Quality and they are responsible for evaluating quality of teaching, approach of teachers towards teaching process, student´s requests and other aspects difficult to measure.

**Table 2: Assessment of performance in education**

|  |  |  |  |
| --- | --- | --- | --- |
| **Performance** | **Coefficient** | **Reported number** | **Recalculated value** |
| 1 hour of seminars | 1,0 |  |  |
| 1 hour of lecture | 1,5 |  |  |
| 1 hour of seminars/lectures in English (including lectures for intensive programs, summer schools, etc., unless they are honored differently) | 2,0 |  |  |
| Supervisor of the final bachelor or master thesis | 10 |  |  |
| Supervisor of a doctoral student  (or official consultant) | 15 |  |  |

Source: FEM SUA in Nitra: internal documentation 2018

***Performance in project activities***

Table 3 shows evaluation of performance in project activity where we distinguish between national and international project (coefficient 1 versus 2)

As it is shown in the table, reward is allocated to the project coordinator who in cooperation with the head of the department allocates the assigned amount of personal evaluation to the members of the project team. This evaluation follows also from official rules where the budget of the university reflects directly financial amounts credited to the university from various project agencies or private sector.

**Table 3 Evaluation of performance in project activity**

|  |  |  |  |
| --- | --- | --- | --- |
| **Performance** | **Coefficient** | **Reported number** | **Recalculated value** |
| Project coordinator of a national research or education project (VEGA, KEGA, APVV, etc.) for each started 1000 EUR credited to the SUA account in evaluated year | 1 |  |  |
| Project coordinator of an international research project: for each started 1000 EUR credited to the SUA account in evaluated year | 2 |  |  |
| Project coordinator of the international education project: for each started 1000 EUR credited to the SUA account in evaluated year | 1 |  |  |

Source: FEM SUA in Nitra: internal documentation 2018

***Performance in research and publications***

Performance in research and publications is very important and it must be included in long-term objectives at the university and faculty level and personal development as well. Table 4 shows coefficients for different publication categories. It requested also long-term discussion how to differentiate among categories and what to prioritize. Finally, faculty methodology follows more less the ministerial methodology and methodology used at teacher´s qualification development.

As you can see, the assessment is based on the quality of the publication and its contribution to accreditation and personal growth. In line with the Ministerial Methodology, research papers published in the CC, WoS and Scopus journals are evaluated the highest. Scientific monographs published in foreign publishing houses are also highly evaluated.

There was a big discussion about the value of the quote coefficient in CC, WoS, and Scopus. At the beginning, the coefficient was set very high (8-10 points), which caused that those who had the highest quotes were evaluated the highest even though they did not have to show the publishing activity at all. In terms of dissemination and recognition of scientific results, this was correct, but it has caused demotivation in publishing activities at the faculty. Therefore, in the coming years, this coefficient has fallen (at present it is a coefficient of 4 which is still high compared to other indicators).

The criteria also distinguish between national and international publications and can be modified in relation to central changes in the system.

**Table 4: Assessment of performance in category of research and publications (selection)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Performance** | **Coefficient** | **Reported number** | **Recalculated value** |
| Scientific monograph published by renowned publishing houses abroad | 5 |  |  |
| Scientific monograph published by national publishing house | 4 |  |  |
| Chapters in scientific monographs published by renowned publishing houses abroad | 2 |  |  |
| Chapters in scientific monographs published by national publishing houses abroad | 1 |  |  |
| University textbooks | 4 |  |  |
| Research papers in journals registered in CC | 10 |  |  |
| Patents and other outcomes in this category | 10 |  |  |
| Research papers in journals registered in Web of Science (10) or SCOPUS (7) | 10/7 |  |  |
| Chapters in the university textbooks | 1 |  |  |
| Research papers in other journals | 0,5 |  |  |
| Published conference papers abroad (including registration in WoS +0,5) | 1 |  |  |
| Published conference papers at national level (including registration in WoS +0,5) | 0,7 |  |  |
| Published abstracts from the conferences or in journals (including registration in WoS +0,5) | 0,3 |  |  |
| Citácie SCI a SCOPUS | 4 |  |  |

Source: FEM SUA in Nitra: internal documentation 2018

As the faculty achieves a very good evaluation in the national accreditation (A) and there is an effort to maintain this assessment, the faculty management has also introduced a system of one-off special rewards for publications in the CC, WoS and Scopus journals, which proved to be the most important and most popular motivation system. It concerns both teachers, researchers, doctoral students, and authors as a reward, as shown in Table 5. Table 5 also shows that this system has also developed since 2015 and stabilized in 2017.

There are also options about the forms of one-off extra pay. An employee can decide whether he or she wishes to receive one-off extra pay in the form of salary rewards or transfer to a separate departmental sub-account (including levy 35, 2%), which will be directly used for a defined purpose (such as a business trip, ICT)

**Table 5: One-off extra pay for high quality publications (in Euro) for one paper published in renowned journal for whole team of authors**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Category | 2015 | 2016 | 2017 | PhD scholarship |
| Research paper in journal registered in Scopus HI less than 10 | 500 | 700 | 900 | 500 |
| Research paper in journal registered in Scopus HI over 10 | 1000 | 1200 | 650 |
| Research paper in journal registered in CC or WoS with IF less than 0,39 | 1000 | 1000 | 1300 | 700 |
| Research paper in journal registered in CC or  WoS with  IF 0,4 – 0,69 | 1500 | 1800 | 1000 |
| Research paper in journal registered in CC or  WoS with   IF 0,7 – 1,0 | 2000 | 2500 | 1300 |
| Research paper in journal registered in CC or  WoS with   IF nad 1,0 | 1500 | 2500 | **3000** | **1600** |

Source: FEM SUA in Nitra: internal documentation 2018

There are also other activities which should be also evaluated but they are not implemented on regular basis. So, the head of the department or in some cases also the dean evaluates the activities of employees in areas that are important for the functioning, performance and reputation of the workplace, for example:

* Committee for admissions interviews,
* Committee for State Final Exams, UNICERT – language certified exam,
* Committee for dissertation exams and defense of doctoral theses,
* Student´s Scientific Action Committee or other committees at national or international level,
* Participation at graduation ceremony,
* Reviews of bachelor and diploma thesis at the faculty
* Project coordinator (main, local) without financial benefit in the given year, etc.

**Conclusion**

Motivation is the important part of human resources management in all the sectors of national economy, universities including. We can distinguish between internal versus external factors of motivation. We consider financial reward as the strongest motivation tool, especially in the situation when is directly interconnected with high quality outcomes (research, project, research papers). Secondly, high quality work results can guarantee personal and professional prestige which is connected to the job or job position of the employee. And thirdly, all work results bring new skills, new abilities, self-confidence and personal development. It is another very strong and positive side of proper motivation.

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