

# THESIS OF (PhD) DISSERTATION

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21<sup>ST</sup> CENTURY CHALLENGES OF HUMAN RESOURCE  
MANAGEMENT IN VIEW OF HUNGARIAN HIGHER  
EDUCATIONAL INSTITUTIONS' OPERATION

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# 1. RESEARCH BACKGROUND

Higher educational institutions' most valuable human resource are lecturers and researchers, who primarily realize the strategic and operational objectives, the holders of human assets and applied knowledge. Without staff possessing proper qualifications, educational and research experience and the right attitude, institutions in higher education cannot operate: in the absence of the fore-mentioned properties they cannot comply with the requirements of accreditation, and they are unable to provide educational and research services to customers effectively. To ensure suitable working conditions, guidance, co-ordination, incentives, evaluation of performance is the responsibility of their supervisors, thereby it is in these supervisors' interest to establish and manage a human resource management system (HRM), taking into consideration the characteristics of the institution.

The adoption of human management software began at University of Kaposvár in 2007, as part of the integrated Enterprise Resource Planning (ERP) system mostly funded by the HEFOP-4.1.1 programme. The aspects of human resource management at the university and generally at the higher educational institutions caught my attention by using this software. As an employee of the university I could gather first-hand experiences of the HRM developments and their effects and consequences on the institution's operation. I tried to gather information and facts about the deployment and operation of the system which could be used for comparison, and in view of this data I also analyzed other national and international institutions' HRM.

The main purpose of my research was to attempt to analyze the connections between the educational and research activities and HRM of higher educational institutions via surveys of lecturers and researchers at Hungarian state-managed universities and colleges. I found important to

assess the current situation primarily through the viewpoint of the lecturers and researchers. With the help of these surveys I tried to form a comprehensive view of actual practices of HRM (for example educational and research activity ratio, utilization of work hours, staff development, incentives, performance measurement and evaluation, performance-related pay).

In order to be familiar with the best practices I decided to study the practice of HRM in a nation's higher educational institution which is in a prominent position in the rankings of the world's universities and part of the European Higher Education Area (EHEA). The reason for my choice was that several English universities places in the top ten of the world rankings, which led me to get acquainted with the personnel management system of the English higher education. For this purpose I have spent more than a year in Birmingham where I got to know the advancement and “best practices” of HRM representing the English model.

Based on experiences and results of my research, I believe the practice of HRM in English higher education presents a worthy example for developing the HRM systems in Hungarian higher education. With my research data I try to promote the propagation of efficient HRM practices in higher educational institutions, which are suitable for synchronizing the realization of the institution's strategic objectives with the career prospects of the lecturers and researchers.

## **2. RESEARCH OBJECTIVES AND ASSUMPTIONS**

Higher education plays an important role and function in advancement of competitiveness and efficiency of the nation's economy. Because one of the main resources of higher educational institutions are lecturers and researchers – who accomplish the strategic goals of the institution- human resource management and human resource strategy are significant in helping adapt to changes and new requirements affecting them and providing guidance. My primary objective is to highlight the prominent role and importance of human resource management usage in higher educational institutions.

According to my initial assumption in the time period following the regime change human resource management based on performance was not yet established or only in a few institutions among the state-managed higher educational institutions.

My goal is to compare the usage of human resource management practices in English and Hungarian higher educational institutions, highlight the new techniques applicable in Hungarian higher education by experiencing the goals, functions, methods and approaches predominant in practice.

The comparison between the HRM systems of English and Hungarian higher educational institutions can be made in the following areas:

- HRM strategy of the institution,
- HRM priorities reflecting the objectives and expectations of national economy towards higher educational institutions,
- organizational integration, position, recognition of HR department,
- characteristics of HRM practice of the institution.

I intend to confirm via survey of the ratio of education and research the hypothesis that the new tasks, roles and expectations caused by changes in education and institutions considerably changed the traditional educational and research activities.

Higher educational institutions are competitive on the market if they are able to provide for their employees working conditions, infrastructure, salaries, career opportunities and other incentives equally appealing to the ones offered by the corporate sector.

My hypothesis is that Hungarian state-managed higher educational institutions are not in possession of sufficient methods for managing career opportunities and incentives of lecturers and researchers, which could suitably ensure the long-term retention of these highly skilled academics. The necessary amount of monetary and other incentives are not available for progressing in their profession.

According to my hypothesis salaries of lecturers and researchers – just as like salaries of other public servants – is “stringent” in other words lacks differentiation and irrespective of greater market-oriented operation in Hungarian higher educational institutions.

My hypothesis is that usage of performance evaluation and performance-related pay is only partially prevalent in Hungarian higher educational institutions.

### **3. MATERIALS AND METHODS**

#### **3.1. Research periods performed towards writing the dissertation**

From summer of 2008 to December 2009 I studied the available national and international literature about HRM in the corporate and public service sector. At the same time as head of HR department at Kaposvár University in addition to theoretical knowledge I could gather practical experience too.

Between May 2010 and May 2011 I undertook the fore-mentioned field trip in England. During this time I developed the survey forming the base of this research. Utilizing my experiences in Hungary and England the finalization of the survey took place in the time period between May and December 2011. At the same time happened the compilation and implementation of the electronic version of the survey.

Collecting information with the help of the custom-built web-based survey lasted from January to June 2012. I approached the rectors of the national state-managed higher educational institutions by letter for permission to conduct the survey. The clearing of database from the returned surveys was finished by August 2012. Following this was the processing and evaluation of the database by statistical and mathematical processes.

#### **3.2. Application of quantitative research methods**

Analysis of lecturer and researcher activities and human resource management in practice was done by survey in national higher educational institutions. The title of the survey was “Survey for lecturers and researchers employed in higher educational institutions”.

The survey was a custom-built web-based questionnaire form which allowed to be easily and quickly sent to the target group of lecturers and researchers forming the sample. The survey consisted of five groups of

questions, 45 questions in total (**Table 1**).

**Table 1:** Logical structure of the research questionnaire form

Question groups	Theme	Associated questions	Scales of measurement
<b>Employment</b>	characteristics of employment	1. question 2–3. question	interval nominal
	scope of activities	4.,6.,9. question 5. question 7. question	ratio nominal ordinal
	participation in projects, research	8. question	ratio
	extra tasks beyond working activities	10-11. question	ordinal
<b>Doctorate acquisition</b>	doctoral studies	13-14. question	ordinal
	acquisition of degree	12. question 15. question	ordinal interval
	mobility	17.,19. question 18. question	nominal ratio
<b>Career course</b>	career course	16. question 20. question 21-22. question 36. question	nominal interval nominal nominal
	foreign field trip/lecture/research	23., 25-26. question 24. question	nominal interval
	social capital	27. question	nominal
	leadership position	28., 30. question 29. question 31. question	nominal ordinal –
	career plan	32-33. question 34. question	nominal ordinal
	efficiency of administration	35. question	nominal
<b>Performance evaluation</b>	performance evaluation	37., 39. question 38. question 40. question	nominal – ordinal
	performance-related pay	41. question	nominal
<b>Background variables</b>	demographics	42., 44. question 43. question	nominal interval
	language exam	45. question	nominal

Source: *Own construction*

The period of the survey was 6 months starting from sending them out. More than 1290 people started to fill them out, almost half of the amount,

617 questionnaire was deemed adequate for evaluation and entered the database.

The processing and evaluation of the resulting database was done with the help of SPSS software (version 16.0). The questions of the survey were subjected to single variable analysis in order to determine the most frequently occurring indicators. I used the crosstabs function to analyze the correlation between variables and determined the strength of these correlations with Cramer's V statistic.

For the ratio of time spent on lecturing and research variance analysis was used to calculate the influence of scope of activities on the work time spent on lecturing, research and other activities. Following this single and multiple variable regression analysis was performed to determine the effect of lecturing, research and other activities on each other.

## **4. RESULTS**

### **4.1. Comparison of HRM in English and Hungarian higher educational institutions**

As a result of my research I explored the similarities and differences between the human resource management systems and subsystems of the Hungarian and English higher educational institutions. This comparison was possible based on the four HR-areas defined by Bett's. I emphasize the major offset that human resource management objectives and functions as means for the realization of the institution's strategy in English higher educational institutions present. Human resource management is able to contribute more towards the operational and organizational efficiency, world-class educational and research functions and competitiveness of the educational system in English higher educational institutions than in their Hungarian counterparts. The comparison of human resource management functions in English and Hungarian higher educational institutions highlighted the relatively narrow scope or rather the lack of these functions in Hungary.

The result of this comparison can provide a suitable base for planning and execution of developments in Hungarian higher educational institutions, adoption of “best practices” while taking into consideration the Hungarian characteristics.

## **4.2. Comparison of earnings between the English and Hungarian higher education**

Personnel expenditures consume most part of the English and Hungarian higher education's budget. Modernization of human resource management in English higher educational institutions started in 2001 as response to the Dearing (1997) and Bett (1999) reports. As first step of this modernization process to prevent the decrease of earnings a payment system consisting of 51-point pay spine was introduced. The purpose of the new system was providing suitable remuneration, lecturer and researcher career opportunities, payment by results for the academic community. The salary system in Hungary – partly because of the overdue reform of higher education – is unchanged and inflexible until this day. The rate of yearly increase of salaries was above the rate of inflation until 2008 in English higher education, after it remained under the rate of inflation due to the financial difficulties. In contrast with this between 2002-2008 the Hungarian higher education sector was unable to ensure the increase of lecturer and researcher salaries in accordance with the inflation and from 2009 the yearly increments ceased.

Analysis of size and composition of salaries reveal that average yearly earnings of lecturers and researchers on indefinite term contracts exceeded by 30-40% the average yearly earnings of those who were on definite term contracts. In the examined time period in both countries the average yearly earnings of male employees on indefinite term contracts were bigger than their female co-workers' (13-18% in England, 12-20% in Hungary), in case of employees on indefinite term contracts the average yearly earnings of workers with age above 60 years exceeded those of with age under 60 years.

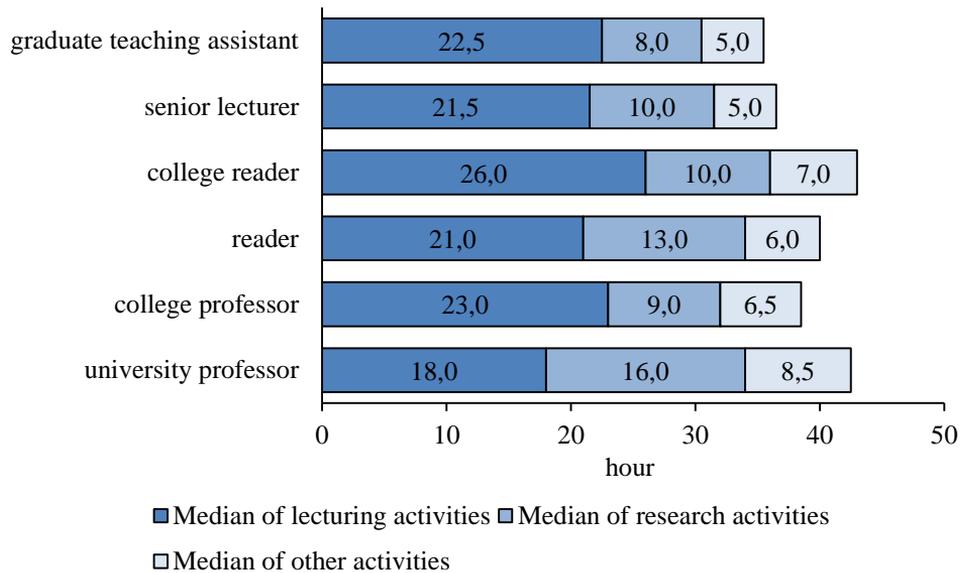
One of the characteristics of Hungarian higher education is the difference

level between warranted salary and total remuneration. According to statistics the highest difference could be found at the top level of hierarchy where it exceeded 40% in the 2005-2011 time period. Warranted salary of lecturers and researchers was above the national average salary and the national average salary by age only in cases of university professors and honored professors. Actual warranted salaries of graduate teaching assistants and senior lecturers was below the national average salary by age by more than 60% in 2011. National average salary for the ones possessing a degree in economic, law, social, engineering, IT, natural and medical sciences exceeded those working in higher education, at the same time it is higher than in areas of social and labor services, culture, sports, art and clerical professions in the investigated time period.

I converted the yearly salary of Hungarian academics to USD and compared to the results of the international analysis made by Deloitte (2008, 2012). This analysis encompassed the following countries: United States of America, United Kingdom, Australia and Canada. In international comparison the salaries of all professions exceeded the national gross domestic product per capita (GDP) in every country. According to data for the years 2008 and 2011 in Hungary the warranted salary of graduate teaching assistants and senior lecturers was below and the average total income above the gross domestic product per capita. The salary of university professors in Hungary followed the international trend. The warranted salary was two times and the average total income was three times the amount of the gross domestic product per capita.

### 4.3. Analysis of the ratio of lecturing and research

I summarized the time spent weekly on lecturing, research and other activities by positions based on the answers in the survey. **Chart 1** shows the median of time spent weekly on lecturing, research and other activities breakdown.



**Chart 1:** Breakdown of median of work time spent on lecturing, research and other activities by positions (n=556)

Source: *Own construction*

According to the results among the participants in the survey graduate teaching assistants spent three times, senior lecturers and college readers spent two times, readers spent one and a half times more time on lecturing than on research. University professors spent double the amount of time on research than graduate teaching assistants. In the case of college professors practical education dominated taking up 60% of their work time, while university professors spent approximately the same time on lecturing and research.

According to the results of variance analysis the position held doesn't explain the distribution of work time, since it has only weak influence (1,15%) on it. All other factors (for example scientific discipline, gender, type of institution, age, etc.) have 98,85% influence on the distribution of the subject. The 0,11 value of the measures of association (H) signifies that there is little association between workload and position.

I also examined the ratio of lecturing, research and other activities in lecturer and researcher occupations. According to the results the work time regulations in the Organizational Regulations of the institutions are different, and the answers given in the survey does not match with the percentage proportions of lecturing, research and other activities defined in the Organizational Regulations.

Two and multiple variable linear regression analysis did not indicate correlation between the type of work (lecturing, research or other activities) and the time spent on it. This means that the time spent on lecturing, research or other activities were independent of each other in the second semester of the 2011/2012 academic year.

Employing the results of the CAP<sup>1</sup> (Changing Academic Profession) research I compared the workload of the Hungarian academic community – through the questionnaire survey – with other international data. Regarding the workload Hungary is in the middle with an average work time of 47 hours per week. At the same time the Hungarian lecturers, researchers are overloaded compared to what we commonly describe as “reference countries”

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<sup>1</sup>The CAP research ran during the second semester of the 2006/2007 academic year. The study consisted of a questionnaire for workers in academics and encompassed more than 20 countries. The supplemental study made for HEFCE presents the results of the international comparison for 8 countries – England, Australia, Canada, Germany, Malaysia, South Africa, United States of America, Hong-Kong – about the workload, assigned tasks, leadership of institutions and satisfaction with work. (*Locke & Bennion, 2010*)

(Germany, England, Austria). The work time spent on lecturing is the highest for workers in Hungarian higher educational institutions, an average of 22,3 hours per week, which is above the time spent on lecturing in higher educational institutions in Germany, Austria and England. The average time spent weekly on research in Hungary is the second highest with 16 hours, right after the amount of time in Germany, on the other hand the time spent weekly on other activities is the lowest among the countries in research, as little as 8,3 hours. This is because Hungarian lecturers and researchers spent less time on administration, providing services, making contacts and cooperating with the corporate sector compared to the other countries.

After the examination of the ratio of lecturing and research my observation is that the primary tasks of the workers in Hungarian education were lecturing activities (57%), which is twice the amount than in the case of their colleagues in Germany, Austria or England.

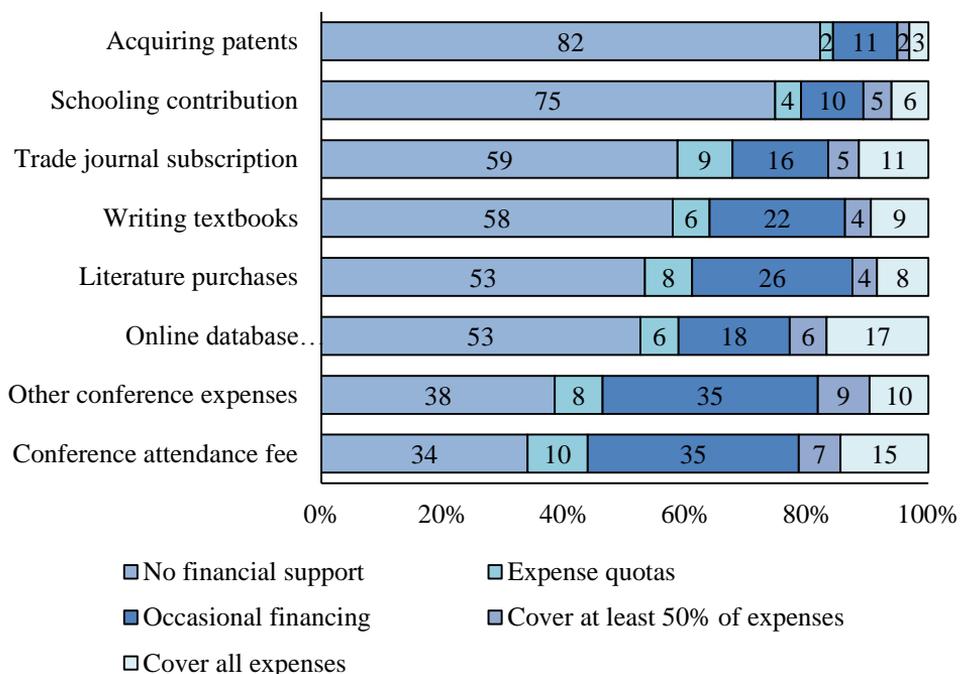
#### **4.4. Review of career planning in Hungarian higher educational institutions**

The institutions made career or development plan for only 12% of the survey participants in the second semester of 2011/2012 academic year. Among the participants of the survey 74% of the employees in lecturer positions and 50% in researcher positions considered that their career is developing according to planning.

About "non-material" forms of support more than 50% of the responses said that their employer shows moral support for the advancement in their profession and takes their requests and suggestions into consideration when planning time-tables. In contrast with this more than 50% of lecturers and researchers can not require work time reductions. Opinions differ about the existence of conditions necessary for lecturing and research tasks, 30% of

the responses said that they are insufficient, another 30% is in neutral position about the subject, the rest 40% is satisfied with the availability of conditions.

According to the responses the majority of the institutions didn't support at all with the following "material" donations the advancement of their lecturers and researchers professional career. (**Chart 2**) The most popular "material" donation was the contribution to expenses of attending conferences.



**Chart 2:** Percentage of opinions regarding "material" contributions of institutions

Source: *Own construction*

This analysis uncovered the fact that in case of participants possessing a career plan the possibilities for some of the "material" and "non-material" contributions (schooling contribution, conference attendance fee, writing

textbooks) have improved.

#### **4.5. Analysis of performance evaluation and remuneration by performance in Hungarian state-managed higher educational institutions**

468 (76%) of the 617 lecturers and researchers who filled out the questionnaire survey agrees with the introduction of performance evaluation. Percentage of agreement among lecturers is 75% (419 of 556 person) while among researchers is 80% (49 of 61 person).

Out of the performance evaluation methods the most prevalent with 67% is based on satisfaction of students, followed by 58% for performance evaluation developed by the institution. The lowest score belonged to qualification by the law of the legal status of public servants which reached only 16%. No evaluation of performance is measured for 70 person, more than 10% of the participants.

Half of the lecturers' and researchers' opinion is that performance evaluation can have a positive effect on work efficiency. Agreement with performance evaluation can have a boost on work morals, because crosstabs analysis indicates that there is a small correlation ( $C=0,334$ ) between these two variables at 0% significance level. Therefore institutions can expect their employees to become more motivated by the introduction of performance evaluation.

73% of lecturers and researchers believe that performance evaluation does not lead to competition between co-workers. The category titled "Absolutely influencing" was chosen mostly among participants between age of 51-55 and above 61. I came to the conclusion that attaining leadership position as age increases can generate competition. With aging the amount of leadership positions increased, which fact was proved by examining the sample, there is a weak correlation ( $C=0,354$ ,  $p=0\%$ ) between the two

characteristics.

Among the participants only 66 person (11%) received remuneration based on performance. Typically professions of social, human and natural sciences receive remuneration based on performance. Taking age as a variable into consideration we can demonstrate that with more time spent on academic fields increases the number of people receiving remuneration based on performance, most of them belonging to the age category above 61 years. The increase is two-phased which corresponds to the average national wage by age of the people with higher education.

## 5. CONCLUSIONS AND RECOMMENDATIONS

Within my thesis I phrased the following conclusions and proposals based on my research and analysis on the subject of human resource management of Hungarian and English higher educational institutions.

**For my first hypothesis** regarding the existence and importance of the application of modern human resource management in Hungarian higher educational institutions I draw the following conclusions.

The national and international literature referenced in my bibliography unanimously name the human knowledge, creativity and innovation as the determining factor of the countries' competitiveness from the second half of the 20<sup>th</sup> century. In order to adapt to new challenges the English government modernized the human resource management of the higher educational institutions in 2001. Their aim was for human resource management systems employed in English higher educational institutions to be able to support efficiently the human labor force thereby contribute to the realization of the educational and institutional strategy to a higher extent than before. The transformation to a more market-oriented model previously performed in English higher education is still undergoing in the Hungarian higher education. One of the results of switching to financing by results besides promoting quality improvements is that the English higher educational institutions' selection of educational courses, the quality and more practical aspect of education match the requirements of the labor market more closely. In this regard we can say that the English higher education addresses more effectively the demands of the labor market than the Hungarian higher education.

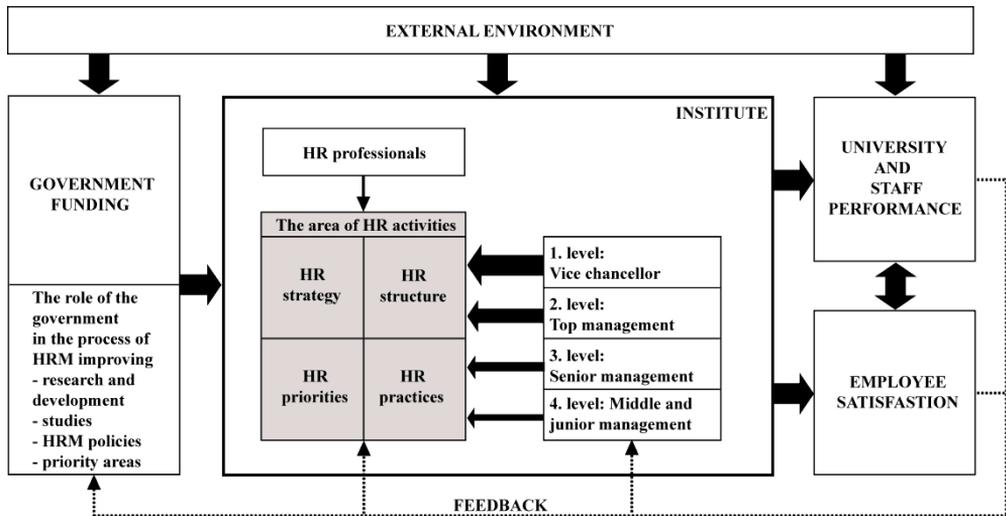
**Due to the fore-mentioned reasons I consider the first hypothesis verified, because establishment of performance-based human resource**

**management was unsuccessful. Inspecting the association of the state-managed higher education and elements of the economy we can see that only a few of the state-managed institutions formed continuous, relevant also for the agent of the economy and innovative collaboration which has actual economic and social benefits.**

Recommended for every higher educational institution creating a portfolio which primarily can be based on a long-term cooperation with local, significant economic agents possessing high innovation demand.

After the comparison of human resource management of the higher educational institutions in both countries, I concluded that human resource management in English higher educational institutions is able to contribute more towards the operational and organizational efficiency, world-class educational and research functions and competitiveness of the educational system.

Based on the analysis of human resource management practices in English higher educational institutions **Illustration 1** suggests a concept for developing, operating and measuring an effective human resource management system.



**Illustration 1:** Review of effects of an effective HRM operation

Source: *Own construction*

In connection with the **second hypothesis** I observed that the restructuring toward market-orientation and changes in external environment in English higher education modified the working conditions of lecturers and researchers, moreover resulted in diversification, specialization and differentiation of functions. In order to being able to keep up with changes, personal career plans has been redesigned, which caused the changes of previous job descriptions. According to the results of the questionnaire survey it is clearly defined that the currently ongoing movements toward a more market-orientated model are perceptible, in several cases they are discoverable in the operation of the institutions, to which lecturers and researchers try to adapt in different ways.

Further results of the survey are that the work time regulations determined for each task in the Organizational Regulations of the institutions are different, and the answers given in the survey doesn't match with the percentage proportions of lecturing, research and other activities defined in the Organizational Regulations. The inadequate organizational regulations

can be a hindrance in adapting to changes.

**I consider the hypothesis verified because with the analysis of the ratio of lecturing and research based on questionnaire survey it is outlined that the traditional lecturing and research functions changed due to the new tasks, roles and demands and in the future the fulfillment of even more functions might be required.**

For these reasons it is advisable to readjust the work time distribution of lecturers and researchers in compliance with the law of national higher education and with the Organizational Regulations under the jurisdiction of the institutions to adapt to the changed environmental conditions. The ratio of lecturing and research should be adjusted to advance the realization of the strategic objectives of the institution. The optimal ratio of lecturing and research is optimal if besides fulfilling the financial and labor market demands it also advances the realization of the strategic objectives of the institution. For the Hungarian higher educational institutions to be possible to join into the international educational and research activities in a greater capacity I suggest to particularly nominate in the educational strategy and regulations of the institutions the time spent on honing language skills since according to the results of the survey the foreign language skills of Hungarian lecturers and researchers are at a low level.

According to the analysis of **my third hypothesis** I concluded that the career management (planning) present in English higher educational institutions is not found in the practice of the Hungarian higher educational institutions. The advancement system of academic ranks in English higher educational institutions is centered on accomplishments which is based on research results. At the same time as effect of external environmental changes they attempt to provide new, non-traditional career opportunities.

According to research results and experiences we can confirm that career

planning and incentive methods are partially or fully absent from Hungarian higher educational institutions or subject to differentiation thereby only extend to some departments. In many cases the career management objectives are missing from the strategy and practice of the institution since there is no synchronization between the organizational-institutional and educational-research objectives.

**Only a selection of Hungarian higher educational institutions employ career management function and typically none apply career planning so I consider the hypothesis verified.**

According to the responses the majority of the institutions (more than 50%) did not support at all with the examined "material" donations the advancement of their lecturers and researchers professional career. Exception to this were only the contribution to fees and auxiliary expenses of attending conferences.

**For lecturers and researchers in higher educational institutions the necessary "material" and "non-material" incentives for the advancement in their profession are not available in the necessary amount and way, therefore I consider the hypothesis verified.**

Based on the results of the research for the establishment of career planning and optimizing their present system for HR-experts and executives of higher educational institutions I submit the following suggestions. It is expedient for higher educational institutions to learn the future intentions, academic record, commitment to his area of expertise and personal and family background. At the designing phase of the career management its objectives have to be defined in accordance with the interests of the institution. It must be beneficial for lecturers and researchers to serve the demands of the market sector and the processes must in their interests. During career planning it is advisable to discuss in detail the "material" and

“non-material” remunerations necessary for reaching the planned objectives and to define and finalize their amount. The effective career planning is possible by regular feedback of the outputs of the planned objectives.

As **fourth hypothesis** I examined the English and Hungarian lecturer, researcher salary system. The English system consists of 51 levels which allows competitive salaries in the academic community and serves the higher education financed by the market. The system – with the possibility of adaptation to institutional, regional and international trends – is flexible, being based on unified principles it determines the standard of salaries of the various professions, assures lecturer and researcher career opportunities, and supports payment by results for the academic community.

Nowadays the stationarity of the salary table for public servants is inadequate for serving the needs of the higher educational sector which is currently in transformation, and the transition from budgetary financing to higher education financed by the market. One of the consequences of this is that the standard of salaries of Hungarian lecturers and researchers is not competitive neither in national nor in international comparison. Warranted salary of lecturers and researchers was above the national average salary and the national average salary by age only in cases of university professors and honored professors. This presents difficulties both at present and in the long-term for retention of young and talented lecturers, researchers in the higher education when confronted with the accessible salaries in the market sector.

**The salary system of lecturers, researchers in Hungary is “stringent”, as part of the public servant salary table it is inadequate at inciting and motivate the prospective lecturers and researchers who are currently in their studies. According to national and international comparisons the low standard of lecturer and researcher salaries and the narrow remuneration possibilities and conditions make the modernization of the**

**salary table necessary for the successful transition to a higher education financed by the market.**

The national public servant salary system is “stringent”, lacks differentiation and is incapable to reflect the actual expenditures therefore it needs to be changed. I suggest the development of a system based on complex criteria which takes into consideration the gross domestic product per capita, national average salary for people with higher education, age, FEOR classification, the standard salary of the region and includes the performance-based salary. Similarly to international trends as much as possible it is expedient to assure an increase of salaries in accordance with the rate of inflation to preserve the purchasing power parity of earnings in the academic community. Further I suggest in order to improve the transparency of personnel expenditures in higher education, a more detailed statistic of lecturer and researcher salaries which encompasses the factors of gender, age, scientific area and type of institution.

As **fifth hypothesis** I examined the propagation of performance evaluation system. The methods of the performance evaluation system in England underwent continuous developments in the past decade and this process continues to this day. The employed performance management is capable of synchronizing the personal objectives and interests with objectives of the institution, and it can contribute to the cumulative increase of personal and organizational performances. In contrast there is no evaluation of performance in a part of Hungarian higher educational institutions, in other cases evaluation of lecturers' and researchers' performance is only partial or made in a non-standard way (not comparable). Unlike the system in England performance evaluation in Hungary does not synchronize with adequate efficiency the personal and institutional interests.

**Based on the above reasons I consider the hypothesis verified since**

**the propagation of performance evaluation in Hungarian higher educational institutions is only partial. At the same time among the participants of the survey agreement about the establishment and application of performance evaluation was high. Therefore the reason for only the partial propagation of performance evaluation in Hungarian higher educational institutions cannot be explained with resistance of lecturers and researchers.**

Among the higher educational institutions who participated in the survey application of performance-related salary is present only in few. Typically those above the age of 61 years receive performance-based remuneration. **I consider the hypothesis verified because the results show that performance-based salary is not typical.**

Recommended for the Hungarian higher education sector – based on the example of England – the establishment of a performance evaluation system based on new principles and methods, which is capable of contribution to the realization of the strategic objectives of the institutions, improvement of the competitiveness and innovative capability of the higher educational sector and indirectly to the advancement of social welfare. In the new salary system possibility of performance-based salary should be independent of age and with consideration to the result of performance measurement and evaluation. For the express purpose of inciting enhanced performance and its remuneration.

## 6. NEW AND NOVEL SCIENTIFIC RESULTS

Following are the new research results made by comparative analysis of the human resource management functions employed in English and Hungarian higher educational institutions.

1. The objectives and functions of human resource management in the English higher educational institutions in my research assume the usage of the HRM model:
  - human resource management objectives and functions make up a comprehensive system in alignment with the organizational objectives and functions,
  - human resource management objectives and functions promote the realization of personal (lecturer and researcher) objectives and interests in concordance with the organizational objectives and functions,
  - in light of the above statements we can conclude that the human resource management objectives and functions greatly contribute to the improvement of organizational and operational efficiency of the English higher educational institutions.
2. Presently the human resource management functions play a lesser role in the improvement of efficiency and competitiveness in the Hungarian institutions than in their English counterparts:
  - the human resource management of Hungarian higher educational institutions participating in a survey shows mixed results: in several institutions the former model, containing mostly only “labor” functions based on a “salary” system is still predominant, while in others there is a shift toward the HRM model,
  - based on this we can conclude that in Hungary the examined human

resource management functions in most of the cases are integrated into the organizational and operational structure less and on a lesser degree than in England. As evidenced by the following connections.

3. The analysis of the works hours of Hungarian lecturers and researchers proved the dominance of time spent on lecturing over researching, which is the opposite of international practices, as well as the lack of time spent on other activities (i.e. providing services, cooperation and building connections with the corporate sector).
4. The salary management of English higher educational institutions – contrary to the Hungarian practice – is considering the educational, national and international economical standard besides the personal performance. The analysis of lecturer and researcher activities in regards of personal income showed that Hungarian lecturers and researchers even though spending on these activities more work time, gain less income. The effective salary table for public servants in Hungarian higher educational institutions and different remuneration systems varying by institutions (but sometimes even between departments) does not compensate adequately (“cost-value ratio”) for the labor of lecturers and researchers, thereby not having an incentive effect.
5. Due to the fore-mentioned reasons we cannot label the Hungarian institutions as employing incentives and performance management in the classical meaning. At the same time though based on surveys we can state that performance evaluation can positively influence the work efficiency of every second employee (lecturers and researchers) among institutions participating in the survey.
6. Higher education is more performance oriented in England than in Hungary. It is not just that performance evaluation methods are more widely practiced in academic areas in England, and their results

influence remuneration options, but more notable is the fact, that different incentives are used in order to ensure that employees are able to spend more time to lecture and research activities in areas conforming to personal, group and organizational objectives. Thereby personal objectives, perspectives conforming to objectives of the institutions make possible a more effective cooperation and common interest between the institutions and employees in lecturer and researcher positions.

7. Higher educational institutions in England provide more significant opportunities and conditions for advancement for researchers, which leads to new results in research and thereby helps to raise the reputation of the researchers and institutions and also the institution's position in international rankings. At the same time we cannot refer to Hungarian higher educational institutions as ones utilizing this function regarding its importance, as was confirmed by the surveys.
8. Regarding the English higher educational institutions' offerings of educational courses and the labor market demands we can conclude that the output products of English higher education match the requirements of the labor market more closely: English higher education addresses more effectively the demands of the labor market than the Hungarian higher education.

## **7. PUBLICATIONS IN THE FIELD OF THE THESIS**

### **Publications in foreign language**

1. Vörös, P., és Bodor, M. (2009). Efficient Human Resource Management in budgetary institutions. *Acta Scientiarum Socialium*, (30), 135-140.
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