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Performance Appraisal Practices in Indian HEI –A Critical Analysis

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Abstract: With a large student population, the number of Higher Education Institutes (HEI) in India is growing manifold. When it comes to the number of HEI, India stands third in the world next to China and the U.S. (Rekha N, 2016). However, even after 75 years of independence, only four Indian B Schools occupy a place in the top 100 globally (Nanda, 2021). Though the number of management institutes and the student intake therein is increasing, the number of international students in these B Schools is declining. Whereas the scenario is contrary to what we observe about the population of international students studying in top global institutes outside India. Compared to other countries, India has the biggest advantage of the best return on investment and lowest fees for MBA programs. Despite this, why do Indian B schools lack a global profile? It is time for us to introspect the quality of our educational institutes and the programs offered by them. Existing studies and literature suggest that there are many factors responsible for it but this paper explicitly attempts to understand the critical issues hitting the Indian B schools -mainly the failure to attract and retain good quality faculty members. Though there are several reasons, the focus of the research work is on the performance appraisal practices followed in HEI specifically in private management institutes in Pune, India, and its outcome It is found in the research outcome that though the private institutions consider the parameters of performance appraisal as mentioned by regulatory authorities, it is not directly linked with promotions, increments or financial incentives. There is no concrete positive outcome of performance appraisal; it is done for compliance purposes only. In the end, the researchers propose suggestions that may benefit all the stakeholders and help the Indian B Schools to acquire a global profile.

Keywords : Higher Education Institutes; B School; Performance Appraisal; Faculty member; MBA; Students.

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1. Introduction

Indian higher education dates back centuries ago when pupils gained knowledge and learned various skills in the Gurukul system. Today, post-independence, the education system has taken a huge leap and students enter higher education institutes (HEI) right after their higher secondary i.e., 12th standard. With a large student population, the number of HEIs in India is growing manifold. India stands third in the world next to China and the U.S. when it

comes to the number of HEIs. (Rekha N, 2016) These HEI offer education in a variety of domains like –medicine, law, engineering, design, pharmaceutical sciences, economics, architecture, hospitality, journalism, fashion, dental, nursing, management, and much more. Of all the disciplines, the maximum number of HEIs in India is found in the field of Medicine, Pharmacy, Architecture, Law, and Management. In India, the quality of these Institutes is judged by various accredited ranking authorities like UGC, MHRD, NAAC, and AICTE. They use several parameters like placements, alumni connections, faculty, research, infrastructure, etc. to rank the institutes. When it comes to B Schools, ranking by Financial Times, Bloomberg Business Week, Forbes, and The Economist is accepted across the world and serves as a yardstick to gauge the quality of management education. An average of around three and a half lakh students passes out from the thousands of B-schools in India every year (Desk, 2020). However, if we refer to the global rankings, very few Indian B Schools can make it to the list of the top 100. Even after 75 years of independence, only four Indian B Schools occupy a place in the top 100 globally-they are: three IIMs and one private institute. (Nanda, 2021) Thus, as per the various rankings, only these four Indian B Schools carry global value. Though the number of management institutes and the student intake therein is increasing, the number of international students in these B Schools is declining.

'International students shun Indian MBA programs – Rajendra Srivastava, Dean –ISB, Hyderabad quotes -While ISB attracts promising Indian students — with women making up nearly 40 % of its most recent intake, it says —he remains frustrated at the lack of students and academics from outside the country. The school reports that just 3 % of this year's intake is non-Indian, which reduces valuable diversity in the classroom and limits its reputation as an international school. India demands a top 10 global school' (Jack, 2019). Whereas the scenario is contrary to what we observe about the population of international students studying in top global institutes outside India. Among the top 10 global B schools, half of them have very good international student strength –almost more than 90%. (M, 2021).

Table No.1 depicts the number of international students pursuing MBA programs in top B Schools across the globe.

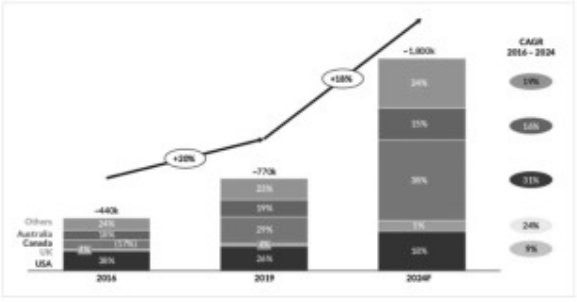
The table shows the increasing number of international students in many of the top global B schools like Stanford Graduate School of Business, MIT Sloan School of Management, HEC Paris, and London Business School.

Table 1 : Top 10 MBA programs in the world 2020/2021 with international student strength

School	Number of students	International Students (%) (2020)	International Students (%) (2021)
Stanford Graduate School of Business	417	42%	43%
The Wharton School	856		30%
MIT Sloan School of Management	416	38%	41%
Harvard Business School	938	37%	37%
HEC Paris	281	93%	95%
INSEAD	536	96%	91%
London Business School	497	91%	92%
Columbia Business School	1022		47%
IE Business School	598		91%
Haas School of Business	283	42%	35 %

(M,2021)

Chart 1
The outbound flow of Indian students to other countries for higher education.

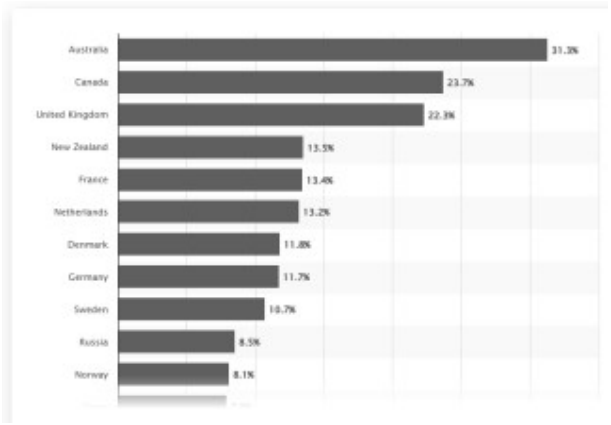


Outbound students from India, with share of market for leading destinations, 2016 and 2019 (actuals) with forecast values for 2024. Source: RedSeer

(Consultants, 2022)

The chart shows the increasing trend of Indian students going to top countries like the USA, UK, Canada, and Australia for higher education. The forecast value for 2024 depicts an increasing preference for Canada over other countries.

Chart 2
Statistics of countries with the highest international students as of 2020



(Statista's, 2021)

It can be seen from the chart that the top 3 countries with the maximum number of international students are Australia -31.3% Canada- 23.7% United Kingdom -22.3%

Compared to other countries, India has the biggest advantage of the best return on investment and lowest cost for MBA programs (crackverbal, 2022). Despite these plus points and strengths, why do Indian B schools lack a global profile? Why can only a few handfuls make it to the global top 100 list? Why is the number of international students pursuing MBA programs in India declining every year? It is time for us to introspect the quality of our educational institutes and the programs offered by them. When it comes to the quality of HEIs, there are several factors responsible, but one of the probable reasons could be quality in the teaching-learning process.

Major flaws in the Indian B Schools:

A. Absence of endowment culture

In other countries, the alumni contribute by way of funds and grants to their Alma mater. Many of them donate their property too. Their funding helps the Institutes to invest in research facilities, infrastructure, scholarships to meritorious students, offer good compensation to the teaching fraternity, and so on. Harvard alone has $41.9 billion in its endowments, the University of Texas has $31.9 billion, Yale about $31.20 billion, Stanford has about $28.9 billion, and Princeton University has $26.6 billion (GORTON, 2021). In India, either the government or the institute itself (in the case of private) has to bear the entire expense of education with very little monetary contribution by the alumni.

B. Year of establishment

Most of the reputed Institutes/Universities abroad were established more than a century ago whereas the Indian counterpart came into existence a few decades ago. Oxford was founded in 1167 AD, Cambridge in 1209, Harvard in 1636, and Yale in 1701. With this long period comes more: experience, alumni connections, research, consultancy, infrastructure, reputation, and so on. The Indian HEIs have a long way to accomplish that name and fame.

C. Education System

India being a developing country, the focus of the education system is to generate more professionals like engineers, doctors, and architects than researchers. India being a resource-starved nation, people believe that it makes more sense to invest money in training professionals than researchers. Indian researchers are well placed outside the country and occupy top positions contributing significantly to research in various upcoming sectors.

The schooling system in India lacks a strong foundation due to a dearth of physical and financial resources. This gives sub-standard input (students) to the professional institutes making the job of professors more challenging in making these students employable. 'According to an Associated Chambers of Commerce and Industry of India study, only 7% of Indian business school graduates, outside the top schools, are employable.' These students lack soft skills and most of them do not have industry experience before undertaking management education, unlike other countries where a minimum of 3-5 years of industry experience is mandatory before enrolling in an MBA program.

D. Teaching Staff

When it comes to educational institutes, particularly HEIs, the quality of faculty is of paramount importance. They should be able to

connect to industry and focus on experiential learning for their students (Sahil Sharma, 2015). Unfortunately, we are disconnected from the industry: the research by teaching staff is not what the working managers expect, a very small number of faculty members are involved in consultancy to the industry, and collaborative research with the industry is missing (GHOSH, 2019). According to a 2019 released 'The Framework of Industry–University Linkage research' by the Ministry of Science and Technology, the Government of India reported that though industry and academia work in collaboration, there is no clear policy. This results in a lack of optimal cooperation between the two. The report states that a strong industry-academia association that is focused on innovative ideas and investment in R&D can help boost research capacity (RENGARAJAN, 2021). Very few Business schools in India have faculty members with good industry experience.

"Some of the principal factors creating the ever-widening gap between academia and industry include lack of interactions between the two entities, lecturers or faculty lacking industrial exposure, the examination or evaluation process used in assessing students' performance, industry not getting involved in curriculum review and development and students lacking employ-ability skills amongst other factors."(Laryea, 2020)

The teachers play a vital role as nation builders as they are shaping the future generation but unfortunately in India, they are underpaid, underutilized, and undervalued. The biggest failure of the Indian HEIs is its inability to attract and retain well-qualified and good-quality faculty members in the teaching profession. Along with the other challenges, this failure to attract and retain good quality teachers is the biggest challenge for Indian B Schools.

E. Remuneration to academic staff

There are many factors responsible for discouraging good faculty members to join Academia. The remuneration offered is very low as compared to international B schools and the corporate sector and thus good qualified teachers are not ready to take up the teaching profession by choice. The pay packages are so unattractive that students whom they teach for two years get almost double the salary of the teachers. In most cases, students get a starting salary which is the salary at retirement for faculty members. Research has proven time and again that decent remuneration has a positive impact on the job satisfaction of academic staff (Amarasena, 2020). High levels of job satisfaction among teachers enhance the quality of teaching, better communication with students, and ultimately improved the learning experience for the students (Agneš Slavić1, 2019).

Other reasons are - irregular pay revision by concerned authorities, excessive administrative workload, and the attitude of the students towards teachers and education in general, the approach of the management towards the faculty members. Teaching is no longer a respectful or sought-after job in India.

To add to all this there is also a lack of:

- Research funding,
- Opportunity to earn from research and consultancy,
- Career development path,
- Opportunities for growth and development
- Well-defined performance appraisal system

F. Performance Appraisal practices

The HEI does not follow a rigid performance appraisal system as in the industry. As a result, the performance of the faculty cannot be managed accurately unless the HEI embraces a well-organized performance evaluation mechanism. For the performance appraisal system to give the desired results, the employees should be aware of the same. Unfortunately, in many HEIs, neither the academic staff is aware of the existence and importance of the PA system; nor is it not linked to their promotions (BK Punia, 2009).

The quality of academic staff will decide the quality of education in any educational institute. B schools should make efforts to attract and retain good-quality faculty members. A better performance appraisal system, decent remuneration, and transparency in promotions may help the academia to achieve this ((J. K. Das, 2018)

Though there are many factors responsible for discontent among faculty members, this paper attempts to explore the performance appraisal system

adopted for the faculty members in the Indian B schools –particularly private B Schools and the perception of the faculty members towards the system adopted in their Institutes.

Scope: Private Management Institutes located in Pune.

2. Literature Review

The researchers reviewed 89 research papers by national and international authors on related topics like – Current practices and challenges in PMS in HEI, New model of Performance Management and measurement in the higher education sector, Performance management of academic staff and its effectiveness in teaching and research, Performance Appraisal practices in Indian Universities, Performance Appraisal system for college teachers in India, Performance Appraisal in higher academic institutions in India, Revamping the Performance Appraisal system and enhancement of quality education in B Schools, Innovations in education –what works, what doesn't, what to do about it? Innovative teaching practices in Management education, Innovative approaches to management education, and Tools and techniques to ensure innovative management education in India to name a few. The researchers also reviewed the official document by AICTE on 'Best practices in AICTE approved Institutions.' It helped to have a deeper insight into the practices followed by the AICTE-approved Institutions for their teaching staff. Finally, 36 research papers relevant to the topic are quoted in the research work.

A few of the takeaways from the Literature review are summarized as follows:

A. Performance appraisal-International Outlook

(Chamila H. Dasanayaka, 2021) The existing appraisal process is majorly aligned with the requirements of the research-excellence framework of the UK, which is greatly concerned with research rather than teaching. Furthermore, it was found that there is no clear link between promotions, salary increments, rewards, etc. with staff performance within the current appraisal process. Eventually, it was realized that most of the academic staff of the source university were dissatisfied with the current performance appraisal process, and this could be the situation in most universities in the UK. (Amarasena, 2020) their research work titled "Does the Academics Member Remuneration Impact Job Satisfaction of Academic Faculty Members of state Universities in Sri Lanka?" tries to find the correlation between remuneration and job satisfaction among the academic staff in state universities in Sri Lanka. After using a structured questionnaire for 423 respondents across 15 state universities, they concluded that remuneration is a positive significant factor affecting the overall job satisfaction of academicians in Sri Lankan state universities. (Laryea, 2020) Samuel Odoi Laryea an Entrepreneur and a Lecturer at The School of Technology, GIMPA has suggested a collaboration between academia, policymakers, and industry to bridge the ever-widening gap. It is an irony that academia is churning out unskilled graduates whom the industry cannot absorb and on the other hand, the industry is facing a shortfall of good talent to be a part of their team. With conscious efforts from all the parties, we can give a generation to the nation which is industry ready to accept the challenges of the future. (Serdyukov, 2017) in research work titled" Innovation in education: what works, what doesn't, and what to do about it?" presented an analytical review of the educational innovation field in the USA. It outlines the classification of innovations, discusses the hurdles to innovation, and offers ways to increase the scale and rate of innovation-based transformations in the education system. The primary focus of educational innovations should be on teaching and learning theory and practice, as well as on the learner, parents, community, society, and culture.

B. Performance appraisal- Indian outlook

(Rao, 2016) In his paper titled "Tools and techniques to ensure innovative management education in India" stated that the stakeholders must strive to ensure innovative management education to create effective managers and leaders globally. It calls for support from all stakeholders including industry, educators, students, educational institutions, government, and thought leaders to innovate Indian management education as per the global standards to create world-class managers and leaders. (Singh, 2022) his study aims to examine the mediating role of employee commitment between the quality of work life (QWL) and job performance among the faculty of technical institutions established in the province of Punjab (India).(Jyoti1, 2020) the paper titled" Current practices and challenges of performance management system in higher education institutions: a review' stated that there is no the best performance; but there

are always better performances to achieve.' By implementing performance management procedures, universities can enhance or improve the overall performance of the university as well as individuals along with the attainment of individual and university goals. (Sayantani Ghosh, 2012) the paper titled" New Model of Performance Management and Measurement in Higher Education Sector." suggested a tri-party model for performance feedback –self, students, and HOD. This will eliminate the doubt of whether a performance management system can identify superior performance. (Reddy, 2015) in research work titled "Performance Appraisal System of College Teachers in India" stated that the performance appraisal of the teacher will be three clefts in self-appraisal by the teacher, evaluation by the student, and assessment by outside subject experts. Lesley Clack, and Rachel Ellison (2018) in the research work: Innovative approaches to Management Education stated that innovative teaching strategies are needed in management education to engage students more effectively in the classroom- Flipped Classroom, role play, and their use in management education. (A. Suhasini, 2016) in the research work titled" A Study on Effectiveness of Performance Appraisal System in Educational Institutions." highlighted the displeasure among the faculty members about the non-inclusion of their suggestions and comments in the performance appraisal process. The teaching staff feels that the appraisal system is very complicated with too many parameters, and they commented that the feedback is not shared clearly with the respective staff members. (BK Punia, 2009) in the research work titled "Performance Appraisal Practices in Indian Universities: A Study of Awareness Level and Perceived Significance" commented that the faculty members are not aware of the existing performance appraisal system in the organization. As it is not linked to their promotions, the academic staff ignores the significance of the PA system. The author states that "It has been found that the faculty members working in the central universities, residential universities, and general universities have shown a high level of awareness about the existing system as compared to the state university, technical/special character university and affiliating university faculty members" (*, 2020)in the research work titled "Exploratory Approach on Revamping the Performance Appraisal System and Enhancement of Quality Education in B-Schools" suggested B Schools adopt performance related pay and that teachers should be promoted based on their performance. The management should give the teachers opportunities to develop, upskill, and use modern technology in teaching. This will bring the quality of education to international standards.

(J. K. Das, 2018) tries to understand the student's perception of the quality of B schools in West Bengal. He quotes that quality in faculty will result in quality in education. The author recommends that better remuneration and transparent promotion systems will attract good-quality teachers into the system. A particular body of research concludes Value Added Measures (VAM) which tries to find teacher's contribution to the achievements of students and suggests that VAM gives a more accurate assessment of the relationship among teacher qualifications, characteristics, practices, and student achievement growth" (John Hattie, 2013). The policies which aim to recruit and retain good quality teachers in the education sector should support professional development and provide incentives for the high performance of the faculty members. Without appropriate support and reward teachers may not exploit their full potential (OECD, 2011). With good teachers comes a good quality of students who will have better employability chances. This can improve the face of the entire education sector in India with respect to quality faculty – better teaching-learning - quality among students -better employability - attracting foreign students -bringing Indian B schools on a global platform.

A. Research Gap:

The literature review reveals that there is a lot of discussion and exchange of thoughts about the performance appraisal process followed in HEI both in India and foreign universities. The thought leaders in Africa have suggested that the system needs to be revamped and academia, industry, and policymakers should collaborate to create a win-win situation for all the stakeholders. A report from a prestigious university in the UK shows that there is discontent among faculty members about the appraisal process, and this may be true for most of the other UK universities. Research in Sri Lanka has found a positive impact of remuneration on the job satisfaction of academic staff. The popular areas of research in the Indian context are – the need for innovative management education to create effective managers and leaders globally, a tri-party team of self,

students, and outsiders or HOD for giving performance feedback, discontent among academic staff about the appraisal process and their suggestions not being taken into consideration, lack of awareness about the existence and significance of the PA process among faculty members, non-linkage of performance to increments, rewards or promotion and so on.

Thus, we can observe that though many of the research topics focus on the performance appraisal system in HEI, very little work is done on the quality of teachers associated with these educational institutes. It is disappointing to observe that the majority of the researchers focused on student's perceptions about the quality of B schools, regulatory aspects, technological upgradation, and dissatisfaction with the performance appraisal system (PAS) but no emphasis is laid on the teaching fraternity which is the at the core of the education system. Very few researchers have tried to give suggestions about attracting good quality teachers in the education sector, particularly the HEIs. This research topic needs immediate attention and should be addressed so that the quality of the Indian education system can be uplifted. Through this study, the researchers try to understand the PAS in Indian B schools, the perception of faculty members towards the same, and suggest suitable measures. This may help the HEIs to attract and retain good talent.

After a thorough review of all the research work and discussions on this topic and identifying the gaps, the researcher has formulated the following objectives for the purpose of the study:

B. Objectives of the Study:

- To understand the Performance Appraisal system adopted for faculty members in B schools
- To study the parameters used for performance appraisal in HEI.
- To identify the perception of faculty members towards the performance appraisal system.
- To comprehend the impact of the perception of faculty members towards the performance appraisal system on the Indian education system.
- To suggest suitable solutions to the existing challenges in B Schools in India

3. Research Methodology

The Researchers reviewed several research papers, articles, discussions on various social media platforms, and official documents of statutory bodies like the AICTE, and UGC to get more insight into the problem under consideration. This review helped the researcher to understand the critical issues hitting the Indian B schools mainly– failure to attract and retain good quality faculty members, the declining number of international students in various management programs, lack of global recognition for Indian B Schools, and discontent among the teaching fraternity associated with these B Schools to name a few. This aroused the interest of the researcher and she tried to dig further to understand the reasons for the current situation.

Table 2 : Number of MBAcolleges in India / Maharashtra / Pune

Particulars	Number of colleges
Number of MBA Colleges in India	8110 (Public/Government and Private Colleges)
Private MBA Colleges in India	6738
Number of MBA Colleges in Maharashtra	1004 (Public/Government and Private Colleges)
Private MBA Colleges in Maharashtra	949
Number of MBA Colleges in Pune	204 (Public/Government and Private Colleges)
Private MBA Colleges in Pune	192

(360, 2022) (360, MBA Colleges in Maharashtra 2022, 2022) (Pandey, 2022)

Further research on the number and type of Management Institutes in India through authentic sources helped the researcher to arrive at the data shown in Table II.

A. Research Design

A Research design refers to the framework of methods and techniques used by the researchers for carrying out the proposed research work. It is a summary of the population of the study, sampling technique, data collection methods, and finally data analysis. An effective research design will lead to minimizing bias and give authentic results.

The researchers have opted for descriptive research as the objective of the proposed research is to

identify the parameters considered for the performance appraisal in HEI with specific reference to management institutes. Standard UGC-approved SAR (Self Appraisal Report) Academic Performance Index (API) and existing literature are considered to identify the parameters.

B. Population of the study

The universe for this research includes faculty members associated with all private Management Institutes in India. Looking into the huge number of private B schools in India and a good number of faculty members teaching therein, the targeted population for this study considered was all the faculty members associated with private management institutes in Pune city. There is no specific database that can provide the exact number of faculty members' details working in private B schools in the Pune region, so it is assumed to be infinite and for an infinite population, 384 is an accepted sample size. The sampling frame consists of the faculty members associated with private B- schools in the Pune region with academic as well as administrative roles.

C. Sample for the study

The researchers have studied the following methods to arrive at the sample for the study.

When the population is very large, difficult to count, or unknown, the various acceptable methods for sample calculation are:

1. *Acceptable sample size is 384 with a 5% margin of error and 95% confidence level
2. Cochran's formula
3. *(Z score) square*standard deviation*(1- standard deviation)/ (margin of error) square

(Qualtrics, 2022)

The researchers used the last method to arrive at the sample size as follows:

$$= \frac{1.96^2 * 0.5.(0.5)}{0.05^2}$$
$$= \frac{3.8416 * 0.25}{0.0025}$$
$$= \frac{0.9604}{0.0025}$$
$$= 384.16$$

Both methods suggest a sample size of 385 and thus the researchers have considered 385 as the sample for this study.

The researchers succeeded in collecting data from 402 faculty members associated with 21 B schools in Pune city out of which 13 questionnaires were incomplete and could not be considered for the study. Thus 402-13=389 is the final sample size for this research.

D. Sampling Technique

As it was impossible to reach out to the entire faculty members associated with all the private B Schools in Pune city, a convenience sampling technique was used to collect data from the respondents. The researcher tried to connect with all the private management institutes in Pune (192), out of which 37 were unresponsive, 42 were not willing to share access to their teaching staff, 18 were occupied with some administrative workload and a few others were out of reach for the researcher. This data was collected from 389 faculty members associated with 21 B schools in Pune city using the convenience sampling method.

1) Primary Data

A structured questionnaire was administered to faculty members associated with these 21 private management institutes in Pune city. This helped the researchers to get primary data for research. Before collecting the final data, a pilot study was done with 60 faculty members from private B schools. Researchers had informal discussions with them also and their suggestions are incorporated before finalizing the questionnaire. Cronbach alpha was calculated to check the reliability and content validity was done to check the validity.

Table 3 : Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.867	0.852	15

2) Secondary Data

Research papers, Journals, Articles, Newspapers, Discussions on social media platforms, and Web resources were used to fetch secondary data for the research.

4. Data Analysis

For constructing the questionnaire, the major variables are identified from the literature review and secondary data study. As per the UGC guidelines, there are three major criteria for the academic performance Index (API) i.e., Category I: Teaching, learning, and evaluation-related activities, Category II: Professional Development, Co-Curricular, and extension activities and Category -III: Research, publications, and academic contribution. Researchers constructed the questionnaire based on these variables and faculty members were asked questions related to this.

The questionnaire was drafted in three parts. The first part consists of basic faculty details and generic questions related to performance appraisal. In the second part, faculty responses are recorded related to performance appraisal like parameters and how they take it. In the third part of the questionnaire, questions related to the outcome of the performance appraisal system and suggestions were asked.

As for the faculty members from private B schools in India, the universe was too large, the non-probability sampling method was used. In non-probability sampling, convenience sampling is used for the collection of primary data. The sampling unit is the faculty members from private B schools in Pune. Data is collected from 389 faculty members working in private B schools. The researchers attempted to ensure that varied sections of the respondents were represented in the collected sample. The data collected was abbreviated and entered in SPSS 20.0. The questionnaire was coded into different variables to analyze them. Frequency tables and percentage tables were also generated. The Likert scale is also used for some of the questions to understand and analyze the performance appraisal system.

Reliability and Validity Test- Reliability is defined as the degree to which a test consistently measures whatever it measures. Internal Consistency reliability method Cronbach's alpha was calculated to test the reliability of the research work questionnaire. The value of Cronbach's Alpha calculated is 0.867 and Cronbach's Alpha based on Standardized Items is 0.852. A value equal to 0.7 and more than 0.70 is acceptable so it can be concluded that the data collected in the questionnaire is reliable. (Mohsen Tavakol, 2011) The questionnaire drafted was shown to 5 experts to validate the content. A reliability, as well as validity test, was done to check the suitability of the questionnaire.

First, a case processing summary is found which depicts the valid cases as data is collected from 389 faculty members. So, the value of N is 389. All cases are included to do data analysis therefore the total number of cases used is 389.

Table 4 : Case Processing Summary

	N	%
Valid	389	100.0
Excluded[a]	0	.0
Total	389	100.0

a. Listwise deletion based on all variables in the procedure.

15 major variables were identified for performance appraisal parameters and 5 for outcomes. Respondents were asked questions related to this taking 5-point Likert scale from strongly disagree to strongly agree. The scales used were 1 for strongly disagree and 5 for strongly agree. Descriptive statistics are mentioned below-

Table 5 : Descriptive statistics-parameters Considered for performance appraisal.

Particulars	N	Minimum	Maximum	Mean	Std. Deviation
Academic qualifications/achievements and research degree	389	1.00	3.00	1.4859	.69825
Research contributions-papers and projects	389	1.00	5.00	4.0231	.84766
writing book chapters and journal –editorial board,	389	1.00	5.00	3.8355	.87265
Patents	389	1.00	5.00	3.7044	1.49828
Conference participation and paper presentation	389	1.00	5.00	3.5733	1.67237
Examinations duties	389	1.00	5.00	3.2571	1.41083
Resource person	389	2.00	5.00	3.6093	1.12218
E-learning Material	389	3.00	5.00	3.9794	.69948
Contribution towards organizing conferences, seminars, and events	389	1.00	5.00	3.8766	.94170
Students' placements	389	1.00	5.00	3.8689	.94475
Research guidance-No of Ph.D. students and PG discretion Guidance	389	1.00	5.00	3.8355	.87265
Awards, Fellowships, papers, and lecture	389	1.00	5.00	3.7044	1.49828
Innovative teaching pedagogy	389	1.00	5.00	3.5733	1.67237
Teaching new subjects and taking a full teaching workload	389	1.00	5.00	3.2571	1.41083
administrative workload	389	2.00	5.00	3.6093	1.12218
Valid N (listwise)	389				

It can be stated that most of the respondents strongly agree and agree with the parameters-research contributions and E-learning material as the mean value is more for these two parameters. Respondents stated that research contribution in the form of research papers publications in reputed national and international journals is one of the important parameters for performance appraisal. Even developing E-content has got the second-highest mean value for PA. It is interesting to observe that most of the respondents stated that academic qualifications and research degrees are not much recognized for performance appraisal.

Table 6 : Performance appraisal parameters on a scale of 1-5 (strongly disagree to strongly agree)

Parameters	N	1	2	3	4	5
Academic qualifications/achievements and research degree	389	246	97	46		
Research contributions- papers and projects	389	1	37	18	229	104
writing book chapters and journal – editorial board,	389	8		137	147	97
Patents	389	52	47	57	41	192
Conference participation and paper presentation	389	102		49	49	189
Examinations duties	389	50	99	41	99	100
Resource person	389		100	50	141	98
E-learning Material	389			99	199	91
Contribution towards organizing conferences, seminars, and events	389	1	47	52	188	101
Students' placements	389	2	45	55	187	100
Research guidance-No of Ph.D. students and PG discretion Guidance	389	8		137	147	97
Awards, Fellowships, papers, and lecture	389	52	47	57	41	192
Innovative teaching pedagogy	389	102		49	49	189
Teaching new subjects and taking a full teaching workload	389	50	99	41	99	100
administrative workload	389		100	50	141	98
Valid N (listwise)	389					

It can be observed from the above table that for research contributions- papers and projects and E-learning Material major frequencies were observed in form of agree and strongly agreed. Academic qualifications/achievements and research degree is not given due weightage for increments and performance appraisals as it is considered minimum requirements and mandatory norms. Contribution towards organizing conferences, seminars, and events and students' placements is given preferences as 289 and 287 respondents agree and strongly agree with this.

Table 7 : Descriptive statistics-parameters considered For performance appraisal outcome

	N	Minimum	Maximum	Mean
Promotion	389	1.00	5.00	2.1080
Recognition	389	1.00	5.00	2.7147
Rewards	389	1.00	5.00	2.8663
Salary increments	389	1.00	5.00	2.7301
Financial incentives	389	1.00	5.00	2.7789
Valid N (listwise)	389			

It can be stated that most of the respondents are not in favor of the outcome of performance appraisal as most of the outcome parameters have a mean value in the range between 2 to 3.

It is surprising to observe that most of the respondents strongly disagree, disagree, and are neutral with the promotion parameter as the mean value is the lowest in this.

Table 8 : Performance appraisal outcome parameters on a scale 1-5 (strongly disagree to strongly agree)

	N	1	2	3	4	5
Promotion	389	141	144	44	41	19
Recognition	389	90	94	86	75	44
Rewards	389	94	61	93	85	56
Salary increments	389	90	85	81	76	47
Financial incentives	389	81	96	85	82	45
Valid N (listwise)	389					

It can be stated from the above table that for promotions, recognitions, financial incentives, salary increments, and rewards most of the respondents strongly disagree and disagree.

Further researchers have presented the fundamental data in percentage form also for a detailed and in-depth understanding of data and to address the research problem.

Hypothesis framed for the research work is as follows-

Ho: There is positive outcome of Performance appraisal system.

H1: There is no positive outcome of Performance appraisal system.

For the collected data, Hypotheses has been tested by applying Pearson Chi square using SPSS 20.0

Table 9 : Chi-Square tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	147.064[a]	8	.000
Likelihood Ratio	147.745	8	.000
Linear-by-Linear Association	5.401	1	.020
N of Valid Cases	389		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.32.

To measure a positive outcome, five major parameters were identified. Positive Outcome identified parameters are- promotions, recognitions, rewards, salary increments and financial incentives. Pearson chi square is the test used for the null Hypotheses considering the 95% level of Significance, $\alpha = 0.05$

The Pearson Chi-square is 147.064a with 8 degrees of freedom, which is significant at 0.05 level of significance. So, it can be concluded that the null Hypotheses H0 is rejected, and the alternate Hypotheses (H1) should be selected.

It shows that most of the faculty respondents believe that performance appraisal system does not lead to a positive outcome in terms of promotions, recognitions, rewards, salary increments and financial incentives.

Table 10 : Purpose of the performance appraisal (PA) process

Purpose of Performance Appraisal Process	Numbers	Percentage
Administrative	139	35.2 %
Formality	187	48.5%
Faculty development	48	12.5%
Any other	15	3.8%
Total	389	100

The data shows that 48.5 % of respondents accept that Performance Appraisal in their respective Institutes is a mere formality whereas 35.2 % state that it is done for administrative purposes. 12.5 % of respondents mentioned that the PA is carried out for the development of faculty members.

Table 11 : Faculty members make extra efforts to fulfill the criteria of the PA process.

Efforts to fulfill the criteria of the PA process	Numbers	Percentage (%)
Yes	143	36.76 %
No	246	63.23 %
Total	389	100

It can be inferred from the statistics that 63.23 % of faculty members do not make any extra efforts to fulfill the criteria of the PA system of their institute whereas 36.76 % take efforts to fit in the criteria.

Table 12 : Feedback shared with individual faculty members.

Feedback Shared	Numbers	Percentage (%)
Yes	191	49.10%
No	198	50.89%
Total	389	100

An almost equal number of respondents come from institutes where performance feedback is shared and not shared with individual faculty members.

Table 13 : The difference in rewards/recognition/ promotion depends upon individual performance or whether all are rewarded equally.

The difference in rewards/recognition/promotion after the PA process	Numbers	Percentage (%)
Yes, there is a difference	152	39.07%
No, all are treated equally	237	60.92%
Total	389	100

60.92 % of the sample quoted that there is no difference in the way performers and non -performers are treated post-appraisal process whereas 39.07 % said that their management considers promotion/incentives/salary increment as per their policy for the good performers after the appraisal process.

Table 14 : The difference in treatment given to performers and non- after the performance appraisal.

Non-performers after the performance appraisal	Numbers	Percentage (%)
Asked to work on their shortcomings/deficiencies	79	20.38%
Allotted a mentor	24	6.16%
No increments for the academic year	45	11.56 %
No action is taken	241	61.93%
Total	389	100

Almost 61.93 % of the respondents stated that no action is taken against the non-performers by their institute whereas 20.38 % said non-performers are asked to work on their deficiencies, 11.56 % said they are not considered for increments for the particular period and 6% said they are allotted a mentor to improve their performance in the next academic year.

Table 15 : The current PA system in your organization is motivating /challenging for all the faculty members.

PA system motivating/challenging	Numbers	Percentage (%)
Yes	146	37.53
No	243	62.46
Total	389	100

62.46 % of the sample said the current PA system in their organization is motivating and challenging for all of them whereas 37.53 % do not find it challenging enough.

Table 16 : Satisfaction with the outcome of the PA process

Satisfaction with the outcome of PA	Numbers	Percentage (%)
Yes	150	38.57%
No	239	61.43%
Total	389	100

The data reveals that only 38.57 % of the respondents are satisfied with the outcome of performance appraisal while in 61.43 % of cases, there is discontent about the outcome of the PA process.

5. Findings, Suggestions, Conclusions

A. Findings

The data analysis shows that almost half of the respondents accepted that PA is conducted merely as a formality and more than 1/3rd stated that it is for administrative purposes. PA for faculty development is practiced in a very scanty number of B Schools.

As the management is not very thoughtful about the objectives of PA, the faculty members associated with these institutes do not make any extra efforts to fulfill the criteria of the PA process. As per the data analysis, only 36.76 % of them try to fit in and fulfill the requirements of the PA system.

In the performance appraisal process, maximum weightage is given to research contributions like writing papers and projects by faculty members. Similar importance is given to contribution towards arranging conferences, events – student placements – creating e-learning material. It is disappointing to observe that academic parameters like Writing book chapters and being on the editorial board of journals, innovative teaching pedagogy, and research guidance to PG students and for Ph.D., awards fellowships, and nonacademic parameters like administrative workload have almost similar weightage. The analysis shows that doing exam duty and teaching new subjects are given similar weightage in the evaluation of faculty performance.

In the majority (>50%) of the institutes, the PA feedback is not shared with the respective faculty member and no action is taken against the poor performers. The output of the PA process is not very encouraging as hardly 30-35% of respondents agree and strongly agree that PA leads to promotions/recognition/rewards/salary increments/financial incentives. This data depicts that the PA system is not output based and there are no monetary or non-monetary benefits for the faculty members. In fact, both the performers and non-performers are treated equally when it comes to promotion/rewards/recognition, etc. In such a situation what is the motivation for performers to continue their good work? This could be a major deterrent for good academicians to take up this profession. About 2/3rd of the existing teaching fraternity from the chosen sample does not find the PA system challenging or motivating. They feel it's just a formality done by their respective institutes every year. It can be observed from the research finding that Indian private universities hardly emphasize the quality aspect of their faculty and rarely pay attention to attracting and retaining quality teachers.

It is observed through data analysis that private institutions are following the parameters of the performance appraisal process but the expected outcomes in terms of promotions, salary increments, and financial incentives are not practiced. This creates discontent among faculty members. Research and E-Learning material/e-content development is given good weightage in the performance evaluation process. However, performance-based promotions and increments are not implemented in most of the Indian private HEI.

B. Suggestions

The researcher also had informal discussions with some faculty members from the B Schools used for the purpose of the study. A few of the suggestions received from faculty members are explained as under:

- Feedback should be shared with individual faculty, rewards, and punishments should be based on individual performance.
- Teachers should be given quality time for extra reading, writing, teaching, and doing research.
- PA system should result in greater clarity in terms of KRAs and make the appraisee competent.

- The PA system should give weightage to monetary and non-monetary benefits i.e., financial incentives and rewards to the performers as they stated that, the PA process is for documentation purposes in most of the institutes.

- An employee's competency gaps can be identified, and areas of performance improvement can be suggested by an effective PA system.

- Regular and performance-based increments should be encouraged for implementation to motivate the well-performing teaching staff.

Based on the discussions with the faculty members and analysis of data from the questionnaire, the researchers would like to propose a few practices that can be adopted by Indian B Schools for their faculty members.

Practices that can be adopted by B Schools for the faculty members are shown in Figure I.

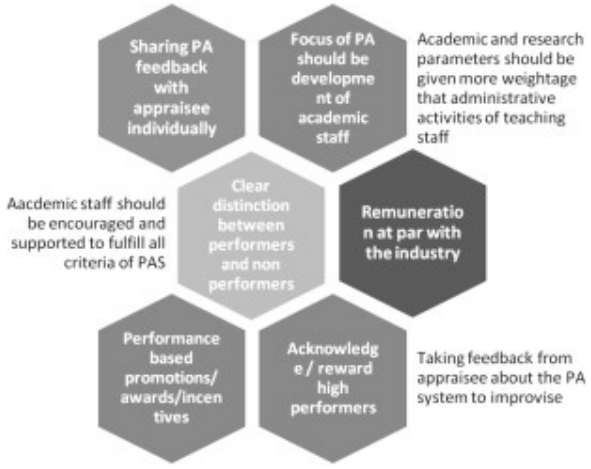


Fig. 1 : Practices that can be adopted by the b schools for the faculty members

This would reassure good academicians to return to the noble profession and encourage young professors to look at academics as a lucrative career option. By adopting the above-mentioned practices, the B schools would be able to attract and retain a good quality of teaching staff. This would bring quality to the classroom and lead to better learning. Thus, the students graduating from these B schools would be of good quality and will have better chances of employability in the domestic and international markets. This would showcase Indian B schools on a global map and bring them global recognition. The ultimate output would be beneficial for all the stakeholders of the education sector.

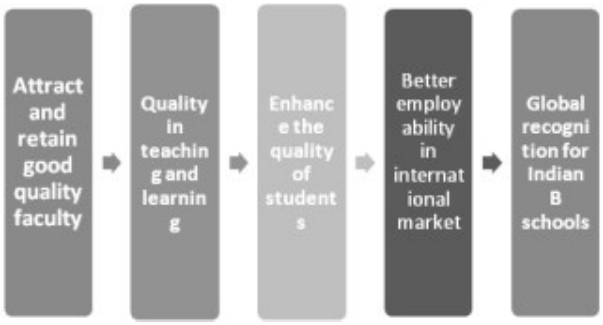


Fig. 2 : Probable output after adopting the suggestions.

The probable output after adopting the suggestions is shown in Figure II

C. Further scope of study

This research work attempts to study the parameters of performance appraisal and its outcome in HEI with a special focus on private institutions. This study can be further extended to different categories of universities like central universities, state universities, deemed (to be University) in India and even done abroad also. The study can be extended to understand the management side of the performance appraisal process. It can also be done for different grades of academic staff like Assistant/Associate/Professor as the parameters are almost the same. The only difference is in the weightage given to these parameters.

D. Significance of the study

This study may assist in understanding the performance appraisal parameters and practices in HEI. It will help to understand the perception of faculty members about the PA process and support the management to amend the system and make it more effective. This will help to attract and retain good quality people in higher education thus improving the quality of teaching–learning and thus bringing benefit to all the stakeholders.

Conclusion

It can be concluded from the study that institutions are conducting performance appraisal for faculty members, but it is not leading to concrete outcome in terms of increments, promotions, and other benefits. Faculty members and students are the core components of the education system. So, it is essential to attract and retain qualified faculty members to

deliver quality-based value education. Research reveals that out of the many factors discouraging good academicians to take up teaching jobs in HEIs, one of the major reasons is poor remuneration and inefficient performance appraisal practices. Study highlights the major flaws, practices, Indian outlook and faculty perception related to performance appraisal system.

The respondents suggested that performance appraisal feedback should be shared with individual faculty, rewards, and punishments should be based on individual performance, the process should result in greater clarity in terms of KRAs and make the appraisee competent, weightage should be given to monetary and non-monetary benefits for the performers. The researcher has proposed a few practices that can be adopted by B schools for the teaching fraternity like redesigning the PA system to make it performance-based, rewarding/acknowledging the high performers, encouraging industry consultancy on profit sharing basis, encouraging collaborative research with the industry, Internship in the industry for faculty members, remuneration at par with the corporate sector, growth and development opportunities, sponsorship for higher education and research by way of finance or sabbatical leaves and career progression plan for all the faculty members.

Adoption of the above practices would help the B Schools to attract and retain better skilled and qualified teachers, enhance the quality of teaching–learning, bring quality among the students, assist in better employability of management graduates in domestic and international markets, and most importantly help to impart global recognition to the Indian B Schools.

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