HUMAN RESOURCE MANAGEMENT: COMPARATIVE STUDY BETWEEN PUBLIC AND PRIVATE UNIVERSITIES IN AUSTRIA

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ABSTRACT

A core component in higher educational reforms is systematic quality assurance and improvement of higher education institutes, all over the world. During the past decade, many countries such as British, Australia and New Zealand have been taken various measures into account to define standards for teaching profession in their educational system. There is dire need to know the quality assurance practices between Public and Private Universities in Austria as numerous Pakistani students are enrolled at different level of studies. The study includes the comparison between quality assurance practices of HRM of public and private universities in Austria, and identification of the factors which help to ensure quality in human resource management at university level. Facilities, research activities, selection criteria, incentive, evaluation, workload and staff development parameters were taken to measure the quality assurance practices of public and private universities in Austria. All teachers in public and private universities in Austria were the population of this study. Fifty (50) teachers (25 from Public Sector University and 25 from private universities) were included in this study using purposes sampling technique. Austrian accreditation council, University Education Act, 2002 and other related documents were analyzed, Interviews with the teaching and research staff and questionnaire for teaching staff was used to collect the data. The data was analyzed through mean, percentage and frequency distribution. The qualitative data collected through interviews was analyzed by descriptive coding. The results showed the clear difference of quality assurance practices in public and private universities in Austria.

Keywords: HRM; Quality education; Public and private universities; AAC

INTRODUCTION

The main issue for higher education institutes in all over the world is providing quality education. Quality education is important because universities must be accountable to society, to employers, and same time to students (Frazer, 1994). Quality education helps to achieve the goals of true learning which brings true change in the society. As best explained by Westerheijden, et.al (2007) “Quality Education strategies should be developed and challenging in the goals which they set for institutions” (P. 211-212). Realizing the situation and need of quality education, different countries started setting quality assurance systems of learning and research and these systems were compared with the benchmarks of top universities standards. Among universities in East Asia, Hong Kong was the first countries who apply quality assurance measures to monitor the higher education sector in 1993. This policy was the impact of globalization around the world.
In Malaysia the quality assurance division for public sector universities was established in order to set up quality audit system (McKimm, 2003). Now the question is that what is Quality assurance? Quality can be viewed in terms of perfection, excellence, and value for money, fitness to purpose, or transformation (Harvey and Green, 1993). Perfection implies faultlessness for zero errors (Ashcroft and Forman – Peck, 1995) and is most relevant to the industry. Excellence implies the notion of reputation (Ashcroft and Forman-Peck, 1995) and refers to the traditional (often implicit) academic view which aims to demonstrate high academic standards (McKimm, 2003). Quality as value for money is about accountability (Biggs, 2003). Quality revolution in higher education has underscored the expectation that universities must demonstrate that they are providing quality education and producing quality research and constantly strive to improve both (Anderson, 2006). Higher education is facing extraordinary challenges of quality assurance around the world universities (Strydom et.al, 2004). Due to the increasing demand for accountability, quality assurance system has been introduced in public and private universities and institutions across the world. During the past decade, many countries such as British, Australia, Austria and New Zealand have taken various measures in order to define standards for teaching professional standards from key feature of their education system. Teachers can use different resources to maintain Quality Assurance Practices in their institutions. The students need to receive recognition for something well done (Mohanty, 2003).

The knowledge needed to improve our education system already exists within the education community. Quality human resource management is a vehicle that can use to cope with the forces of positive change. In the past decade universities in developing countries have followed the international quality assurance systems to improve the quality of their activities (Lim, 2001). Though there is a huge difference in human resource management system between developed and under developed countries, still it will be useful to apply quality assurance system in the higher education institutions in developing countries. Many of the Quality Assurance Agencies have standard functioning across the world in the recent decades. A few of the strong network for quality assurance such as Asia Pacific Quality Network (APQN). Austrian universities education act and International Network of Quality Agencies in Higher Education (INQAAHE)) are also active in establishing a harmony and uniformity across borders. The question of quality is directly related to the quality of teachers and students and the support services provided to them by the educational institutions. The human resource management of any university is the key to bring positive change in the university. The human resource management is critically important for any organization. (Law et.al 2003; Warner 2001).

The influence of HRM practices on employee’s performance commitment, and especially affective commitment, has been studied extensively (Meyer and Allen 1997). As best explained by Meyer and Smith (2000) Organizational dedication is enhanced by high-involvement of its staff. The practices of HRM in any organization relating to the selection procedure of teaching and non teaching staff, performance evaluation, incentives, rewards, training, staff development, and job security. For example, in Austria, the Universities Education Act (2002) was passed and implemented to ensure quality education practices, Austria Accreditation Council was established to ensure quality in private universities. Quality assurance system of HRM in Austria at higher education level is multidimensional in nature which comprised of different factors including internal processes, self assessment, performance, students’ feedback, peer review, and external accreditation through professional bodies work under the federal minister. The quality of education in Austria is really good. The Austrian universities offer a world class environment and facilities to their students and are comparable to any other European Universities. At the PhD level, they offer the most important "freedom of thought" and "self-finalized time lines" for the scholars to give them the required expertise and confidence.

In Austria, Education is free. People coming from developing countries do not have to pay the EURO 750/- per semester fee. The policy however varies from University to University so it is important to check with the University where you are interested in studying. Higher Education Pakistan made an agreement with Austria and almost at present 200 students is enrolled in Austrian universities in different field at Ph.D and Post doctoral level. There is dire need to know the quality assurance practices of Public and Private Universities in Austria because a number of Pakistani students at different level enrolled in these universities. Quality education can be viewed in terms of perfection, excellence, value for money, fitness, for purpose, or transformation. Quality assurance refers to the policies, processes and action through which quality is ensured, maintained and enhanced. The study entitled to compare the quality assurance practices of human resource management services in public and private universities in Austria.
The main objectives of this study were to: 1) Compare the quality assurance practices of HRM in public and private universities in Austria, 2) Measure the quality assurance practices of HRM in Public and private Universities in Austria, and 3) Identify the factors which help to ensure quality in human resource management at university level. The study will help to: the policy makers and educational planners to plan in a better way for enhancement of quality assurance practices in Public and Private Universities in Pakistan the education departments for eradication the factors affecting the purposeful functioning of quality assurance practices of public and Private Universities in Austria for universities stakeholders, for Higher Education Agency, the researchers for further research in this field, it will be helpful for NGO’s which are working in universities for the enhancement of quality assurance practices.

**METHODLOGY**

Twenty five (25) faculty members from public sector universities and 25 from private faculty members were selected randomly. To collect the data three types of resources were used. 1) Document Analysis, 2) Interview with the teaching staff, and 3) Questionnaire for academic staff for public and private sector universities.

Two types of documents were studied and analyzed to collect the data.

I. University Education Act 2002: This Act was passed in 2002 and implemented in 2004 for regulation of public sector universities. The University Act, 2002 is based on the principles of New Public Management with its premises of increased autonomy, output orientation and performance-based funding. A major aim of the law was to strengthen the research activities and research profile of the Austrian universities was reviewed and analyzed.

II. The Accreditation Council: This council regulates the private institutions offering university education in Austria. The Accreditation Council is not an advisory committee, but an independent body which has full decision powers over the accreditation of private universities. Half of the members of the Accreditation Council are Austrians, the other half are experts from other European countries. This guarantees that international standards are maintained and that the Council remains independent of national conflicts of interest.

Interviews with teaching staff were organized to collect the data and know their reaction toward their human resource management system. During interview, researcher asked the following questions to respondents; Employee recruitment and selection practices, Training and development practices, Performance management practices, compensation, incentives, rewards, benefits, and Job security. A questionnaire was designed to know the reaction and satisfaction level of teaching staff towards their university human resource management system. Five point Likert Scale was used. Respondents were requested to rate each statement on given five point likert scales. Introduction and objectives of the study were shared with the respondents. There were eleven questions in the questionnaire. Questions were included; Satisfaction with Organization performance, Affective commitment, Job satisfaction, recruitment process, Staff development /Training opportunity, Compensation/Job security, Working conditions, position level, salary level, research work and, class work load.

**HYPOTHESIS**

-There is no difference between the strength of the staff in public and private universities.
-There is no difference between the satisfaction level of work load, job security of public and private university.
-There is no difference between the satisfaction level staff development, salary of public and private universities staff.

**DATA COLLECTION**

The researchers personally approached to the respondents and collect the data.

**ANALYSIS OF THE DATA**

This section deals with the analysis of data collected by different sources. The data is presented into two parts, The first part deal with the information of human resource management and the second part deal with the reactions of academic staff towards their intuitions.

**Human Resource Management of Public and Private Universities in Austria**

In Austria, the higher education sector is regulated by the Federal Minister of Science and Research and the Federal Minister for Education, the Arts and Culture. The federal provinces have no direct competencies for higher education matters. There are many countries which do not believe in the ranking system because of various reasons. Austria is one of them (France is another county with same attitude).
So currently there is no ranking system within Austria and all the universities are considered as best universities. The higher education sector in Austria is the second largest Research and Development performer in 2004, R&D performed in the higher education sector amounted to 26.7% of total R&D expenditures. Hence, the public universities are the backbone of basic research in Austria. Their traditional missions are teaching and research, however, they have been increasingly expected to cooperate with companies and other partners from practice. The University Act 2002 was a major step towards a modern governance of universities, with three-year global budgets and performance contracts being the cornerstones. There are different types of institution in higher education sector in Austria. These include: public universities and university colleges of education, universities of applied sciences and private universities. The public universities fall under the supervision of the Federal Minister of Science and Research and the university councils. These councils are self-administration bodies, bound by no instructions. Their main function is planning and supervision. These councils are self-administration bodies, bound by no instructions. Their main function is planning and supervision. The universities of applied sciences fall under the authority of the Fachhochschule Council (FH Council). This council in turn is subject to the supervision of the Federal Minister of Science and Research, with, however, the members of the FH Council being vested with constitutional independence. The private universities fall under the authority of the Accreditation Council (ÖAR). This council works under the supervision of the Federal Minister of Science and Research. All legal provisions are regulated by the University Accreditation Act, 2002.

According to Universities Act (2002), the mission of the Austrian universities is to serve academic research and teaching, and the advancement, appreciation and teaching of the arts, and thereby to contribute to the personal development of the individual, and to the welfare of society and the environment. By July 30, 2010 Austria has six general universities, with most of them offering a broad range of degree courses from arts to the social sciences, law, medicine, or science, The University of Vienna is by far the biggest (almost 86,000 students), with its departments and schools being scattered all over Vienna. It is also the oldest university of the German-speaking countries, founded in 1365 by Duke Rudolph IV (1339-1365), thus its Latin name "Alma Mater Rudolphina". Eight Nobel Prize winners stemmed from the University of Vienna.

In addition to these general universities, there are twelve specialized universities in Austria: two technical universities, six arts universities for programmes like music, design, drama, painting or sculpture, and four other, more specialised universities: one for mining, metallurgy, agriculture and forestry. There are three additional specialised universities established from 1 January 2004. There are also thirteen private universities in Austria (their student numbers being only marginal, but growing): Private universities in Austria are now being accredited by the Austrian Accreditation Council. Catholic-Theological Private University Linz was founded in 1672 is the oldest private universities in Austria.

**Strength of Human Resources**

The public and private universities, used the word of rector, but in actual, The Rector (president) is representing the University, and responsible for its strategy in research and teaching, supported by several vice presidents. Together with the faculty and staff in the senate, he or she constitutes the university management. But, in private universities, there is less staff than public sector universities as in Sigmug Freud University, Vienna, which is the private university there is one vice president but in University of Vienna, a public sector, there are 9 vice presidents. In public sector universities, the strength of faculty members is more than private universities. The comparison of four universities is listed in Table 1.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Name of University</th>
<th>Staff</th>
<th>Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>University of Vienna</td>
<td>8900</td>
<td>86000</td>
</tr>
<tr>
<td></td>
<td>Technical University Vienna</td>
<td>4000</td>
<td>17600</td>
</tr>
<tr>
<td>Private</td>
<td>Sigmund Freud University</td>
<td>80</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td>MOULD University</td>
<td>50</td>
<td>250</td>
</tr>
</tbody>
</table>

Table 1: Showing the comparison of staff and student between public and private sector universities

Like wise the public universities, private universities can appoint or promote professors. The staff of private universities enjoys the same privileges pertaining social security, health insurance, and other facilities as staff of the state universities.
Austrian law provides that private universities in Austria must use the term Privatuniversität (literally, "private university") in their German names, although their formal names in other languages. While the legal definition of "private university" prohibits funding by the federal government of Austria, funding by other public bodies is not prohibited. Consequently, some of Austria's private universities are funded or partly funded by provincial governments, while others are fully private funded.

Service Rules and Regulation
The service regulations applicable to public university teachers – to the extent that they still have civil-servant status – are governed, in particular, by the 1979 Civil-Servants’ Service Regulations Act the Contractual Employees’ Act, the federal law on the remuneration of scientific and artistic activities at universities and art universities of 1974 and the 1956 Salaries Act (Gehaltsgesetz). The amendment of the service regulations for universities, adopted in 2001, Federal Law Gazette I No. 87/2001, abolished the public-law service relationship for newly recruited university teachers. New service relations are contracted pursuant to the Contractual Employees Act. When the 2002 Universities Act entered into force, the contractual employees became employees pursuant to the Employees Act. For the universities, a new control system comprising three-year performance agreements and global budgets between the universities and the federal authorities supplements the control system. The activities of the Federal Ministry regarding administration are essentially limited to legal supervision, negotiating the performance agreements and a three-year global budget, receiving the performance reports, as well as controlling and monitoring. The Accreditation Council (Akkreditierungsrat) is the central state organ for the private universities. It works under the supervision of the Federal Minister of Education, Science and Culture. There are no special legal provisions regarding the administration of the private universities, only regulations laid down by the Accreditation Council.

Recruitment Procedure of Staff
Most of the Private universities are using the designations as used in public sector universities, but at the same time private universities are not bond to use these designations and titles, but must be in accordance with international standards. The private universities use transparent procedure to appoint or recruit the new staff and they are bond to follow the criteria given by Accreditation Council for filing of professorial positions. All the public sector universities are using the appointment regulations which comply with international standards as expressed in the University Act 2002. Although all private university have to follow the same procedure as for public sector universities but a few private universities use flexible regulations but this practice is rare. The appointment regulations are complying with international standards as expressed in the University Act 2002. If a private university does not have a sufficient number of university professors to make up an appointment commission, they nominate external university professors as members of the appointment commission until such time that a large enough internal staff has been established. In general, the research profile and outputs are very heterogeneous across the different Austrian universities, and similar activities in certain fields performed by different departments and universities are often not coordinated.

Thus, more strategically governed universities should be able to specialize and use also synergies within and with other universities and hence improve their research outputs. Another issue which is addressed by the new law is the partial lack of orientation of research activities and studies offered to the Supervision. In both public and private universities recruitment is made according to the University Act 2002. All positions are advertised in Public sector universities. Specific period is determined to submit the application. Written and oral examination is also may be conducted according to the situation. In higher level position some time two or three interviews are conducted. In private universities they are less staff than public sectors universities, the recruitment of all positions are made through advertise and accordance with Austrian accreditation rules and regulations. But in actual private universities are flexible in recruitment of low position jobs and if private universities do not follow the rules, Austrian accreditation council may cancel the registration. In public sector universities, recruitment on all positions are filled for longer period than three years and the shortened period according to the specified plan. But in the private universities, most of the positions are recruited for shortened period which ranges from one semester to two years.

Gender in HRM
All university bodies make efforts to achieve a balanced representation of male and female at work in all areas of university activities. There is no restriction of gender in any job position. In technical universities of public sector, male staff is more in number, where as in social sciences, female representation is higher.
Whereas, the female staff is more in number in private universities than public sector universities. As all over the world, in Austria female representation in public sector technical universalitys is less than in social sciences universities.

**Salary and Rewards**

The salary of the public sector universities from 1500 to 5000+ (Euro), it depends upon the position level and experience. The salary structure was defined in public sector universities and in private universities. The salary structure is different from different universities. Most of the staff from private universities is not satisfied with the salary and rewards. The rewards in both and public sector university is in shape of participation in seminars, project, two extra salaries, certificate and prizes.

**Evaluation and Quality standards**

The public sector universities have developed their own quality management systems in order to assure quality and the attainment of their performance objectives. Evaluation of teaching and non teaching is conducted in accordance with subject-based international evaluation standards. In private universities, there is also internal quality assurance system almost in all university. But it is not effective as in public sector universities. More focus is given to research and projects conducted by faculty members. Whereas in private universities same practice is implemented. The evaluation of each staff is conducted biannually and annually. In both types of universities extension in service and increase in salary depend upon the evaluation of teaching staff.

**Analysis of Teaching Staff Reaction and Satisfaction toward Their University HRM System.**

A questionnaire was used to collect the information about the reaction of pubic and private sector universities staff. The analysis of collected information through questionnaire is as under:

**Table No. 2 : showing the cumulative analysis of respondents’ satisfaction. (N=25)**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Public Universities</th>
<th>Private Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Satisfaction with Organization performance</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Affective commitment</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Recruitment process of your organization/training opportunity</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Staff development</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Compensation/Job security</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Working conditions</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Position level</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Wages level( Salary)</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Research work</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Class work load</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Total Score of each level</td>
<td>117</td>
<td>91</td>
</tr>
<tr>
<td>Mean Score of each level</td>
<td>10.6</td>
<td>8.2</td>
</tr>
</tbody>
</table>

(1) Extremely satisfied, (2) Satisfied, (3) Undecided (4) Dissatisfied, (5) Extremely dissatisfied.

**DISCUSSION**

The public universities staff was more satisfied with the performance of their university. Commitment toward his profession is the key for success of any organization. It helps to increase the standard and status of any organization. Among the public sector universities staff, overall public universities staff is more satisfied with the performance of their university.
A man can serve his nation well if he/she is interested in his or her work. Job satisfaction is also one of the strong indicators for employees. With reference to job satisfaction question, among the public sector universities staff 44% were extremely satisfied, 36% were satisfied, 4% were undecided to respond, 12% were dissatisfied and, 4% were extremely dissatisfied with the affective commitment. Whereas among private universities staff 52% were extremely satisfied, 24% were satisfied, and 24% were dissatisfied with their job satisfaction. The overall public universities staff was more satisfied with their job than private universities.

Transparency in recruitment process helps to select the right person for the right job in any organization. Among the public sector universities staff, majority of staff members were extremely satisfied than private universities staff, this situation help to increase satisfaction level among staff members.

Among the public sector universities staff majority were satisfied as compared to private universities. Job security help to increase the performance of the workers. The data sowed that staff from private universities were more in danger regarding their job security. Better working condition and environment of the organization affect the performance of the worker. Majority staff of public sector universities was extremely satisfied as compared to private universities. Among public sector universities staff, majority were dissatisfied with the position level in their universities as compared to private universities. With reference to salary of the public sector universities staff also more satisfied as compared to private universities. Majority of public sector universities staff was with the work load assigned to them in their university.
CONCLUSIONS
The studies were conducted on public and private universities human resource practices considering various parameters. The public universities staff was more satisfied with their university as compared to private universities due to the major factors i.e. job security. Staff development and optimum work load can be enhancing the progress of private universities, off course job security and research activities cannot be avoided. The affordable fee structure can also be the factor to attract the students. Organizational commitment is necessary for the success of any organization it can be enhanced by high-involvement of human resource management practices such as selection process of the staff, neutral performance appraisal, rewards and benefits, opportunity of staff development, training and career development, and job security (Bonnie & Eugri 2005). There were significant differences in satisfaction with employee selection, performance management, and training practices between public and private sector universities employees. Private universities should make their faculty selection process more transparent so that employee can be trust on it. It is recommended for developing countries to explore the opportunities to work on collaborative projects on a Europe wide level, it gives chances to their scholars to widen their horizons which help to increase their productivity, besides the necessary skills of correspondence and persuasion.

REFERENCES


Annexure-1

INTERVIEW SCHEDULE WITH TEACHING STAFF

1. Please indicate the recruitment and selection practices of your university.
2. Training and Staff development practices of your university.
3. Performance management practices of your university.
4. Compensation, incentives, rewards, and benefits.
5. Job security in your university.
6. Evaluation/Performance appraisal of faculty members of your university.
7. Other issue regarding human resource management.

Annexure-2

QUESTIONNAIRE FOR TEACHING FACULTY

Name: _________________ Age: _________ Qualification: ___________ Length of service: _________
Marital status: ___________ Salary: ___________ Gender: ___________
Name of university: ___________

Tick in the relevant box according to your satisfaction

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Statements</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>1</td>
<td>Satisfaction with Organization performance</td>
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<td>Recruitment process of your organization</td>
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<td>Class work load</td>
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</table>

(1) Extremely satisfied, (2) Satisfied, (3) Undecided (4) Dissatisfied, (5) Extremely dissatisfied