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Paying 3P Salaries for Lecturers of Public Universities in Vietnam

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Abstract---Applying the 3P salary formula and evaluating job performance according to KPIs in salary payment is a popular tool in the world and in Vietnam applied by many organizations in paying employees. In order to attract talents and retain them, public higher education institutions in Vietnam need to consult and apply the 3P salary formula and evaluate job performance according to KPIs to pay lecturers. 3P salary is a remuneration model for employees based on a combination of salary payment according to 3 basic factors: job position, personal capacity and work results. KPI is a system of measuring and evaluating work performance expressed through numbers, ratios, and quantitative indicators, in order to reflect the performance of an organization, a functional department or an individual. From there, the organization can apply the 3P salary formula and evaluate job performance according to KPIs to pay salaries and bonuses in accordance with the job position and motivate employees in the organization.

Keywords---education institutions, job performance, lecturers, pay 3p salary, public higher.

Introduction

Currently, the whole country millions of civil servants, public employees and workers are working in the education sector. The State stipulates the salary regime for this team in the form: total salary earned = base salary * current salary coefficient. Leads to the phenomenon of equalization of people who work a lot as well as those who work little, and are paid the same. According to Resolution No. 27-NQ/TW issued on May 21, 2018 at the Seventh Conference of the 12th Central Executive Committee on reforming salary policy for cadres, civil servants, public employees and forces. Armed forces and employees in the enterprise stipulate: design a new salary structure including: Basic salary (accounting for about 70% of the total salary fund) and allowances (accounting for about 30% of the total

salary fund). Additional bonus (bonus fund is about 10% of the total salary fund of the year, excluding allowances) (Temizer & Turkyilmaz, 2012; Milićević et al., 2021).

Currently, implementing the 2018 Law on Higher Education Amended and Supplemented and the University Charter, higher education institutions in Vietnam need to establish a School Council in accordance with the law (National Assembly (Prime Minister of Vietnam, 2014). The organizational and management model of the University has changed, the nature of operation is like an enterprise in which the President of the School Council has the role to decide on all issues related to: salary, bonus, recruitment. By 2021, most higher education institutions in Vietnam will aim to be financially self-sufficient, then a policy of balancing revenue and expenditure is required. In which, the policy of paying wages to employees is to ensure the quantity and quality in order to improve the quality of teaching and learning. When receiving salary, employees feel that their contributions are adequately recognized. Therefore, the author chooses the research problem "Applying the 3P salary formula and evaluating job performance according to KPI in paying salaries for public university lecturers in Vietnam" (Kahya, 2007; Klein & Hood, 2004).

Literature reviews

University lecturer

University teaching staff are approached from many different angles

According to the 2018 Additional Higher Education Law, article 54 "Teachers in higher education institutions are persons with clear identities; have good qualities and ethics; be healthy enough to perform the duties; have qualifications that meet the provisions of this Law and regulations on organization and operation of higher education institutions". From the perspective of roles and responsibilities, lecturers can also be understood as those who directly participate in the higher education system with the role of imparting and guiding (Lasauskiene & Rauduvaite, 2015; Shaari et al., 2014).

From the perspective of state officials, public employees, and public employees, for public schools, a lecturer is a person who performs professional work in charge of teaching and training at the university and college level of a university. training majors of universities and colleges (Cau & Chanh, 2012; Trung et al., 2021; Tung, 2021). According to this perspective, lecturers are people who do professional teaching (theory and practice) who are recognized by the principal and assigned to teach, or scientific staff working inside or outside the school, participate in the teaching under the part-time mode (Bratton, 2007; Trung et al., 2021; Tung, 2022).

KPIs

Key Performance Indicator is a system of measuring and evaluating work performance expressed through numbers, ratios, and quantitative indicators, in order to reflect the performance performance of an organization, a functional department or an individual (Tung, 2022). Usually each title will have a job

description or a monthly work plan. Managers will apply indicators to evaluate the effectiveness of that title. Based on the completion of the KPI, the organization will have rewards and punishments for each individual (Gurat et al., 2018; Briones et al., 2020).

KPI is a modern tool to help managers implement leadership strategies into specific management goals and action plans for each department and employee (Tung, 2022). Therefore, KPI applies to many purposes: managing the work system of the organization, self-managing the work of the group, self-managing the work of individuals. Used in job performance evaluation, the KPI system is understood as indicators for evaluating job performance. In other words, KPI is the goal of work that individuals, groups/groups, departments, organizations need to achieve to meet common requirements. Normally, each position and title will have a job position description that clearly states the responsibilities of that position, what work needs to be done, how (Dung & Anh, 2020; Pinnington & Edwards, 2000). Based on those job bases, the manager will give indicators (objectives) to evaluate the job performance of that position and title. Based on the completion of KPI, the organization will have a reward and punishment system for each individual. KPIs are the basis for managers to evaluate employee performance and provide appropriate incentives for each employee (Lam et al., 2012; Akiba et al., 2012).

Salary 3P

3P salary system is a method of calculating salary based on 3 basic factors:

- P1 (Pay for Position): Pay for the job position.
- P2 (Pay for Person): Pay for the capacity of the person holding the job position.
- P3 (Pay for Performance): Pay for the results achieved by the person holding the job position.



Figure 1. 3P Salary model

The combination of these three factors at the same time is aimed at the purpose of businesses paying employees according to their capabilities and values, not one-sided and somewhat bureaucratic like the traditional salary calculation method in many agencies. The organization is too focused on qualifications or seniority.

Ways to calculate salary according to KPI coefficient

Effective salary calculation according to KPI

Currently, there are two main methods commonly applied to calculate salary according to KPI coefficient, which is the 3P or 2P salary method.

2P salary method

It is a method of paying salary according to job position and work results. This is a method of paying salary according to the fixed salary corresponding to the position and title, along with the work results achieved by the employee.

$$\text{Recipe: } 2P = P1 + P3$$

In there:

P1: Salary according to position and title

P3: Salary according to the work results achieved by employees

3P salary method

3P salary is a remuneration model for employees based on a combination of salary payment according to 3 basic factors: job position, personal capacity and work results.

$$\text{Recipe: } 3P = P1 + P2 + P3$$

In there:

P1: Salary according to job position

P2: Salary is paid according to individual ability

P3: Salary is paid according to the work performance achieved by the employee

This is a modern and improved salary payment method, which is applied by many businesses for its fairness, personal development and organizational capacity improvement. In addition to the fixed salary, employees are also entitled to an effective salary according to the achieved work performance (Dill, 1997; Johnstone, 2004).

Calculate bonus according to KPI

This is the old method, when the organization does not want to change too much the old salary regulations of the organization but still wants to apply the KPI. They consider KPIs as a tool to calculate a bonus, which can be paid monthly, quarterly or annually reflecting the quality of work. Although not a good and modern way, bonuses or rewards are still quite a motivation for employees, promoting employee productivity and quality of work (Tung, 2022).

Compare

These are two methods of calculating salary according to KPI coefficients that are widely applied in organizations today.

- The essence of these two methods is the same: before deciding on salary regulations, enterprises have drawn up a certain salary fund and referenced the average salary of the market. Therefore, the nature of these two ways of paying salary does not affect the organization's money source, but just different methods in the compensation regime. However, the second payment method will be more suitable for the type of organization in our country, with two specific types of remuneration.
- Fixed remuneration: Fixed remuneration is the remuneration that employees receive on a regular basis, which does not affect the production and business results of the enterprise. Normally, fixed remuneration is affected by qualifications, qualifications, seniority, etc. Variable remuneration: Variable remuneration is the remuneration that employees receive in addition to the fixed remuneration, depending on the production and business results of the enterprise, not the same over time.

Because of both the advantages and disadvantages of these two types of compensation, many organizations now combine by calculating individual salaries, combining all three components: fixed salary, performance pay, bonus, and Set up separate rules if employees achieve good results (Bocheliuk et al., 2021; Pakhomova et al., 2021).

Applying 3P salary payment to the reality of paying lecturers at public universities in Vietnam

3P salary : Calculating salary by 3P method is a calculation method with many advantages and Hanoi University of Home Affairs can apply. 3P salary calculation is salary calculation based on job position, capacity and work performance according to KPI. Meanwhile, calculating 2P salary means calculating salary according to position salary and performance salary according to KPI: Salary 3P = P1 + P2 + P3. Determining the salary paid according to the position of the lecturer P1: The school needs to specify a fixed salary for the position of the lecturer. Make the same payment for all those with faculty employment positions. Then the salary according to the position that the lecturer is entitled to is $P1 = P(GV)$.

Calculation of salary according to individual capacity of lecturers P2: higher education institutions are based on the academic qualifications of the lecturer: Master, Doctor and their academic titles such as: Associate Professor, Professor; Instructor's grades: I, II, III as the basis for salary payment. From the personal capacity of the lecturers, which are academic titles and degrees, public higher education institutions' lecturers build a fixed salary suitable for lecturers to satisfy their current self-efficacy and strive for success. compete to improve in the future.

Table 1
Determination of salary P2 according to faculty capacity

No	Lecturer class I	Salary P2 according to ability	Lecturer class II	Salary P2 according to ability	Class III lecturer/professor	Salary P2 according to ability
1	Master	PI (MSc)	Master	PII (MSc)	Master	PIII (MSc)

2	Doctor	PI (TS)	PhD/Associate Professor	PII (TS)	PhD/Associate Professor	PIII (TS)
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Determining salary according to the performance of the lecturer's work P3: is the salary according to the performance of the work according to the KPI of the lecturer. Calculating P3 salary requires schools to have an appropriate method of allocating and weighting KPIs. Universities, based on the table describing the position of lecturers, determine the main tasks to be undertaken at the same time. Schools need to identify lecturers who usually do 5-7 types of work, should not define too many jobs when determining job performance according to KPIs that need to be quantified, otherwise the term assurance must be used, achieve. The main tasks of a class I lecturer in the job description include: teaching, doing scientific research, guiding students to make theses, guiding students to do scientific research, etc. With such duties, the Performance standards of first-class lecturers of schools are built according to KPIs as follows:

Table 2
Standard table of monthly performance of first-class lecturers according to KPI

No	Mission	Result
1	Teaching	23 hours/month
2	Scientific research	16 hours/month
3	Guide students to do scientific research	100% guaranteed on schedule
4	Guiding students to do graduation thesis	100% guaranteed on schedule
5	Do other tasks assigned	100% guaranteed job done on time
6	Consultant	100% guaranteed not to be questioned by the School or students

After having the content of the standard version of the lecturer's work performance in each month according to the PKI. The next step to take is based on the tasks in the job position description to divide the contribution to the organization into 3 main groups as follows:

- Group A: Takes a long time to implement, greatly affects the common goal.
- Group B: Takes little time to implement, greatly affects the common goal or/and takes a long time to implement, has little impact on the common goal.
- Group C: Less time consuming, less impact.

The School can then use the weight of each work group which will be expressed in %, and based on their importance/contribution. Public higher education institutions determine the percentage of public performance according to KPI in the month of grade I lecturers as follows:

Table 3
Table of monthly KPI determination of first-class lecturers

No	Mission	KPI team	Ratio of KPIs (%)
1	Teaching	A	25
2	Scientific research	A	25
3	Guide students to do scientific research	Remove	15
4	Guiding students to do graduation thesis	Remove	15
5	Do the assigned tasks	Old	10
6	Consultant	Old	10

After determining the monthly KPI weight for the tasks in the job description. Higher education institutions need to define performance KPI components as follows:

Determination formula

Performance KPI component = (Actual results / Goals) * Weight

Table 4
Component KPI performance spreadsheet of first-class lecturers

No	Mission	Ratio of KPIs (%)	Actual results (%)	Component KPI performance (%)
1	Teaching	25	100	25
2	Scientific research	25	50	12.5
3	Guide students to do scientific research	15	100	15
4	Guiding students to do graduation thesis	15	100	15
5	Do the assigned tasks	ten	50	5
6	Consultant	ten	100	10

Based on the spreadsheet of KPI performance of the faculty members in Table 3. The school calculates the total KPI performance of Grade I lecturers based on the following formula:

Determination formula: Total KPI performance = component KPI performance (1) + component KPI performance (2) + component KPI performance (3) + component KPI performance (4) + component KPI performance (5) + Performance KPI components (6)

Unit: %

Substituting the data into the formula we have:

Total KPI Performance = 25 + 12.5 + 15 + 15 + 5 + 10 = 82.5 (%)

So the working efficiency of first-class lecturers in the month is: 82.5%

The actual salary in the month according to the performance assessment of the first-class lecturers is:

$$P(t1) = 82.5\% * P3$$

So, the monthly salary of a first-class lecturer with a master's degree is:

$$P3 = P(\text{GV}) + P(\text{MSc}) + P(\text{t1})$$

Conclusion and Discussion

Applying the 3P salary formula and evaluating job performance according to KPI is one of the most widely used and popular forms of payment today because of its many advantages. Paying according to 3Ps and KPI coefficients can promote employee productivity and working time. Make employees want to stick with the University for a long time (Nyandra et al., 2018; Wong, 2021). To properly apply the 3P salary method and evaluate job performance according to KPIs, it is necessary to mobilize the entire organization to participate in the process of developing KPIs for each job position. KPIs need to be consistent with the development plan and strategy of each Faculty and University. KPIs when building need to be highly quantifiable, suitable to the capacity of each job position. Paying wages according to 3Ps is consistent with the content of Resolution No. 27-NQ/TW issued on May 21, 2018 at the seventh meeting of the 12th Central Executive Committee on reforming salary policy for cadres, civil servants, public employees, armed forces and employees in enterprises. In the future, public higher education institutions in Vietnam will operate as business models. Towards the year 2030 will be 100% financially self-sufficient. In order to be able to survive and develop public higher education institutions, it is necessary to pay attention to the payment of salaries for teaching staff. Because lecturers are considered as the computer of a university. Based on the results presented above, the 3P salary calculation model and job performance evaluation according to KPI are completely suitable to apply to paying salaries for lecturers. Public higher education institutions in Vietnam can study and apply this method of paying salaries to all cadres, civil servants, public employees and employees at their training institutions.

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