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Performance evaluation, incentive mechanism and talent management among Chinese universities: Basis for developing an innovative employee retention framework

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Abstract

Universities rely heavily on the knowledge and experience of their employees. Retained staff hold valuable information about the university's history, traditions, and best practices. The study aimed to examine the performance evaluation, incentive mechanism and talent management among Chinese universities as basis in developing an Innovative employee retention Framework. A descriptive approach was used in this study to systematically define the conditions, and assess the variables that were examined. The research respondents are 400 employees of five universities and colleges in China. A survey questionnaire was used for data collection which was subsequently analyzed using the SPSS software. Based on the finding of the study1. The respondents showed a moderate level of agreement on the performance evaluation as to teaching performance, research results and technology literacy. The Chinese universities manifest good incentive mechanism as to economic incentive, social recognition and career development as moderately agreed by the respondents. The respondents moderately agreed on the talent management in terms of talent recruitment, talent development, and career succession. Highly significant relationships exist between performance evaluation, incentive mechanisms, and talent management. An innovative employee retention framework for universities and colleges in China was developed that can create a powerful system to attract and retain top talent, motivate faculty and staff to excel and foster a positive and productive work environment and enhance the overall quality of education and research.

Keywords: performance evaluation, incentive mechanism, talent management, employee retention, career succession

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1. Introduction

Universities rely heavily on the knowledge and experience of their employees. Retained staff hold valuable information about the university's history, traditions, and best practices. This knowledge is essential for maintaining continuity and ensuring a smooth flow of operations. High employee retention rates send a positive message to potential faculty and staff. It suggests that the university is a good place to work, which can attract top talent and bolster the university's reputation in the academic world. When employees feel valued and appreciated, they're more likely to be happy and productive. A well-designed retention framework fosters a positive work environment, which leads to higher morale and increased job satisfaction. The rapid development of higher education in China has brought about significant advancements in both the quantity and quality of universities. However, this growth has also highlighted critical challenges in talent management, performance evaluation, and incentive mechanisms. As universities strive to attract and retain top talent, the need for effective employee retention frameworks becomes increasingly essential.

In recent years, the competition among Chinese universities to recruit and maintain high-caliber faculty and staff has intensified. This competition underscores the importance of robust performance evaluation systems. Properly designed performance evaluations not only ensure that employees' contributions are recognized and rewarded but also foster an environment that encourages continuous professional development. According to Ahmed et al. (2013), human resources with knowledge and competencies are the key assets in assisting organizations to sustain their competitive advantage. Globally competitive organizations depend on the uniqueness of their human resources and the systems for managing human resources effectively to gain competitive advantages. Performance evaluation of the human resources is a vital issue in this regard.

Similarly, incentive mechanisms are crucial in motivating employees, enhancing job satisfaction, and reducing turnover rates. Incentive mechanisms are powerful tools for universities to retain their talented staff. Incentives, both monetary and non-monetary, can motivate employees to go the extra mile. Recognition programs, bonuses tied to performance, or professional development opportunities can signal the value placed on their contributions and inspire them to excel. Feeling valued and appreciated is a key factor in job satisfaction. Well-designed incentive mechanisms demonstrate that the university cares about its employees' well-being and career growth, leading to a more fulfilling work experience. The macro-social economy is currently experiencing rapid expansion as a result of China's market economic system reform, and modern businesses are facing more rivalry. Since talent competition is at the center of contemporary corporate competitiveness, it is imperative that human resource management be prioritized, with incentive mechanisms being a crucial component whose application is dependent on its effectiveness (Yu, 2020). Despite the recognition of these needs, many Chinese universities still face significant challenges in implementing comprehensive talent management strategies. These challenges include the lack of standardized evaluation criteria, limited financial resources for incentives, and varying levels of administrative support. Moreover, the unique cultural and institutional contexts of Chinese universities necessitate tailored approaches that consider local practices and expectations.

Employee retention remains a significant challenge for universities in China, mirroring broader trends in the global higher education sector. The issue is multifaceted, encompassing economic, cultural, and institutional factors that influence faculty and staff decisions to remain with or leave an institution. Despite the growing body of literature on employee retention in the higher education sector, several research gaps remain, particularly in the context of Chinese universities. The interplay between performance management, incentive mechanisms, and talent management presents unique challenges and opportunities that have yet to be fully explored. Addressing the challenges in performance evaluation, incentive mechanisms, and talent management is vital for Chinese universities to maintain their competitive edge and achieve sustainable growth.

Objectives of the Study - The study aimed to examine the performance evaluation, incentive mechanism and talent management among Chinese universities as basis in developing an Innovative employee retention Framework. Specifically, it determined the performance evaluation as to teaching performance, research output and technology literacy; determined the incentive mechanism as to economic incentive, social recognition and career development; assessed the talent management in terms of talent recruitment, talent development, and career succession; tested the relationship among performance evaluation, incentive mechanism and talent management and developed an Innovative employee retention framework to reinforce the positive work environment and attracts more top talent.

2. Methods

Research Design - A descriptive approach was used in this study to systematically describe the population, define the conditions, and assess the performance evaluation, incentive mechanisms and talent management among universities in China. A descriptive research design is a type of research methodology that aims to describe or document the characteristics, actions, attitudes, beliefs, or viewpoints of a group or population that is the topic of the study. Descriptive research does not aim to forecast the future or establish cause-and-effect relationships between variables. Instead, it focuses on providing a complete and accurate representation of the data collected, which may be useful in developing hypotheses, looking for patterns, and identifying trends. Regression analysis or correlation analysis can be produced by designing correlational research to be either relational or predictive. A survey questionnaire that the researcher created and had its validity and reliability confirmed was used to gather the primary data. To collect data, online questionnaire distribution software was utilized to disseminate the questionnaires to respondents in China. These respondents completed the questionnaires and returned them over the same channel. Using the appropriate statistical techniques in SPSS version 28, data on the weighted mean, standard deviation, and correlations were collected for the statistical study.

Respondents of the Study - The respondents of the study were 400 teachers in five universities and colleges in China. The researcher believes that teachers are the direct beneficiaries of innovative employee retention framework, and by understanding their needs, more effective strategies can be developed to serve them.

Instruments of the Study - A survey questionnaire was used as the main instrument for data collection. This was used to determine the perception of the customers of e-commerce business. The researchers spent time investigating and researching related literature about the study variables and dimensions, which provided a guideline and foundation for the statements in the research questionnaire. It was thoroughly validated by the researcher's mentor and field specialists.

Table 1

Reliability Test Results Summary Table

Indicator	Cronbach Alpha	Remarks
Influencing Factors Of Chinese University Teachers' Human Resource Management Innovation Model		
Teaching Performance	0.789	Acceptable
Research Output	0.909	Excellent
Technology Literacy	0.834	Good
Economic Incentive	0.911	Excellent
Social Recognition	0.837	Good
Career Development	0.911	Excellent
Talent Recruitment	0.844	Good
Talent Development	0.851	Good
Talent retention and careers succession	0.862	Good

George and Malley (2003) provide the following rules of thumb:">0.90 – Excellent, >0.80 – Good, >0.7 – Acceptable, >0.60 – Questionable, >0.50 – Poor, and <0.50 – Unacceptable"

In the first part of the questionnaire, the researcher determined performance evaluation. The second part is about analyzing incentive mechanisms. The last part was used to assess talent management practices. The Likert

scale was employed in this study to assess bank customers' attitudes on the topics under consideration. The questions on the four-point Likert scale contained responses with weights ranging from 1 to 4, with 1 being the lowest (Strongly Disagree) and 4 being the highest (Strongly Agree). For this study, the Likert Scale grading was 3.5-4 for Strongly Agree, 2.5-3.49 for Agree, 1.5-2.49 for Disagree, and 1.00-1.49 for Strongly Disagree.

In order to assure validity and dependability of the research contents and output, the researcher spoke with the school adviser and incorporated all comments and ideas from the panel and adviser into the study. The Cronbach Alpha reliability test was used to assess the questionnaire's dependability. This was accomplished by gathering information from a minimum of twenty respondents to evaluate the survey questions and classify them as great, good, or acceptable. The Cronbach alpha reliability data were tabulated along with the interpretation and subsequent scores.

Data Gathering Procedure

The researcher used the completed questionnaire as a tool of data collection after taking the research adviser's views and recommendations into account. The results were encoded and sent to the respondents via a Chinese internet platform for the distribution of surveys following the successful completion of the reliability test. Prior to distributing the questionnaire, the researcher wrote a formal letter to the management of the selected and engaged firms formally requesting permission to conduct the customer perception study. More essential, before customers can take part in the poll, their consent needs to be obtained. The collected data was assembled, evaluated, and examined by the researcher.

Ethical Considerations - At every level of the research process, ethical issues were taken into account to ensure that any data obtained is used solely for research, retaining the study's integrity and effectiveness. The researcher's privacy, discretion, or financial stability were not immediately jeopardized. The necessary permissions were obtained before the election. The participants were given an explanation of the study's goals. They were given assurances that their safety and privacy would not be compromised and that the study would only be utilized for academic purposes. The researcher additionally obtains authorization from the customer respondents through letter and communication to ensure that the intended respondents are willing to answer the study questions.

Data Analysis - Weighted mean and rank were used to determine the performance evaluation as to teaching performance, research results and technology literacy; determine the incentive mechanism as to economic incentive, social recognition and career development; assess the talent management in terms of talent recruitment, talent development, and career succession; test the relationship among performance evaluation, incentive. The result of Shapiro-Wilk Test showed that p-values of all variables were less than 0.05 which means that the data set was not normally distributed. Therefore, Spearman rho was used as part of the non-parametric tests to determine the significant relationship. All analyses were performed using SPSS version 28. The estimated means will be evaluated using the Four (4) Point Likert Scale, and the matrices used are (4) 3.5-4 for Strongly Agree, (3) 2.5-3.49 for Agree, (2) 1.5-2.49 for Disagree, and (1) 1.00-1.49 for Strongly Disagree.

3. Results and discussion

Table 2

Summary Table on Performance Evaluation

Key Result Areas	Composite Mean	VI	Rank
Teaching Performance	3.73	Strongly Agree	1
Research Output	3.65	Strongly Agree	3
Technology Literacy	3.71	Strongly Agree	2
Grand Composite Mean	3.70	Strongly Agree	

Legend: 3.50-4.00=Strongly Agree;2.50-3.49=Agree;1.50-2.49=Disagree;1.00-1.49=Strongly Disagree

Table 2 shows the summary on performance evaluation in terms of user teaching performance, research

results and technology literacy. It has a grand composite mean of 3.70 with a verbal interpretation of strongly agree. This signifies a high level of agreement across all evaluated areas, reinforcing the positive perceptions and strengths identified in teaching, research, and technology literacy among respondents. As gleaned from the table, the highest assessed indicator is user teaching performance with 3.73 composite mean followed by technology literacy (3.71) and research results with a composite mean of 3.65. This provides a comprehensive overview of how respondents perceive their performance across different key result areas, highlighting teaching performance as the strongest area of agreement, followed closely by technology literacy and research results.

Table 3

Summary Table on Incentive Mechanism

Key Result Areas	Composite Mean	VI	Rank
Economic Incentive	3.71	Strongly Agree	1.5
Social Recognition	3.71	Strongly Agree	1.5
Career Development	3.69	Strongly Agree	3
Grand Composite Mean	3.70	Strongly Agree	

Legend: 3.50-4.00=Strongly Agree;2.50-3.49=Agree;1.50-2.49=Disagree;1.00-1.49=Strongly Disagree

Table 3 shows the summary of the incentive mechanism in terms of economic incentive, social recognition and career development. The grand composite mean of 3.70 signifies that, on average, employees strongly agree with the effectiveness of the incentive mechanisms in place. This indicates a high level of overall satisfaction with the incentive programs provided by the organization. As gleaned from the table, the highest assessed indicators are economic incentive and social recognition both with composite mean of 3.71. This is followed by career development with a composite mean of 3.69 which suggests that the respondents agree. The similar high ratings across economic incentives, social recognition, and career development suggest a balanced approach to employee motivation and satisfaction. This holistic approach can lead to a well-rounded and motivated workforce.

Table 4

Summary Table on Talent Management

Key Result Areas	Composite Mean	VI	Rank
Talent Recruitment	3.66	Strongly Agree	3
Talent Development	3.68	Strongly Agree	2
Talent Retention and Careers Succession	3.69	Strongly Agree	1
Grand Composite Mean	3.68	Strongly Agree	

Legend: 3.50-4.00=Strongly Agree;2.50-3.49=Agree;1.50-2.49=Disagree;1.00-1.49=Strongly Disagree

Table 4 shows the summary of the assessment on Talent Management in terms of talent recruitment, talent development, and C a grand composite mean of 3.69 with a verbal interpretation of strongly agree. As gleaned from the table, the highest assessed indicators are talent recruitment (3.69), talent development (3.68) and talent development with composite mean of 3.66. The rankings suggest a balanced approach to talent management, with strong emphasis on both development and retention/succession planning alongside recruitment efforts. Institutions should consider leveraging strengths in retention and succession planning to further enhance recruitment and development initiatives, ensuring a holistic approach to talent management. While all areas are highly rated, ongoing evaluation and adaptation of strategies will be crucial to maintaining effectiveness and adapting to evolving needs and trends in higher education.

As seen in the table, the computed rho-values ranging from 0.766 to 0.890 indicate a strong to very strong direct relationship among the sub variables of performance evaluation and incentive mechanism. There was a statistically significant relationship between performance evaluation and incentive mechanism because the obtained p-values were less than 0.01. The correlations being highly significant at the 0.01 level indicate strong positive relationships between performance evaluation criteria (teaching performance, research results, technology literacy) and the incentive mechanisms (economic incentives, social recognition, career development). These findings underscore the importance of implementing effective incentive structures in

academic institutions to foster improved performance across teaching, research, and technological proficiency among faculty members.

Table 5

Relationship Between Performance Evaluation and Incentive Mechanism

Variables	rho	p-value	Interpretation
Teaching Performance			
Economic Incentive	0.800**	< .001	Highly Significant
Social Recognition	0.766**	< .001	Highly Significant
Career Development	0.779**	< .001	Highly Significant
Research Results			
Economic Incentive	0.865**	< .001	Highly Significant
Social Recognition	0.821**	< .001	Highly Significant
Career Development	0.846**	< .001	Highly Significant
Technology Literacy			
Economic Incentive	0.890**	< .001	Highly Significant
Social Recognition	0.840**	< .001	Highly Significant
Career Development	0.879**	< .001	Highly Significant

***. Correlation is significant at the 0.01 level*

The statistically significant correlation suggests that when universities link evaluations in teaching, research, and technology use to incentives like salary increases, recognition, and career development opportunities, faculty are likely to perform better in these areas. The research seems to point towards the effectiveness of targeted incentives. By aligning incentives with specific performance areas, universities can encourage faculty to focus on the skills and contributions most valued by the institution. By motivating faculty to excel in teaching, research, and technology use, these incentive structures can lead to an overall improvement in the quality of education and research at the university.

Table 6

Relationship Between Performance Evaluation and Talent Management

Variables	Rho	p-value	Interpretation
Teaching Performance			
Talent Recruitment	0.744**	< .001	Highly Significant
Talent Development	0.757**	< .001	Highly Significant
Talent Retention and Careers Succession	0.752**	< .001	Highly Significant
Research Results			
Talent Recruitment	0.848**	< .001	Highly Significant
Talent Development	0.852**	< .001	Highly Significant
Talent Retention and Careers Succession	0.833**	< .001	Highly Significant
Technology Literacy			
Talent Recruitment	0.853**	< .001	Highly Significant
Talent Development	0.858**	< .001	Highly Significant
Talent Retention and Careers Succession	0.837**	< .001	Highly Significant

***. Correlation is significant at the 0.01 level*

As seen in the table, the computed rho-values ranging from 0.744 to 0.858 indicate a strong to very strong direct relationship among the sub variables of performance evaluation and talent management. There was a statistically significant relationship between performance evaluation and talent management because the obtained p-values were less than 0.01. The result indicates a strong positive relationship between performance evaluation and talent management at universities. This aligns with the concept of effective employee retention frameworks, where performance evaluation serves as a basis for implementing talent management strategies. Performance evaluations help pinpoint high performers and areas needing improvement. This knowledge is crucial for talent management initiatives. Based on the evaluation results, universities can design targeted development programs to address faculty strengths and weaknesses, propelling their growth. Performance evaluations can be linked to incentive programs, motivating faculty to excel in teaching, research, and technological skills. Effective talent management, informed by performance evaluations, fosters a positive work

environment, increasing employee satisfaction and reducing turnover rates.

As seen in table 7, the computed rho-values ranging from 0.855 to 0.926 indicate a very strong direct relationship among the sub variables of incentive mechanism and talent management. There was a statistically significant relationship between incentive mechanism and talent management because the obtained p-values were less than 0.01.

Table 7

Relationship Between Incentive Mechanism and Talent Management

Variables	rho	p-value	Interpretation
Economic Incentive			
Talent Recruitment	0.878**	< .001	Highly Significant
Talent Development	0.879**	< .001	Highly Significant
Talent Retention and Careers Succession	0.855**	< .001	Highly Significant
Social Recognition			
Talent Recruitment	0.874**	< .001	Highly Significant
Talent Development	0.889**	< .001	Highly Significant
Talent Retention and Careers Succession	0.868**	< .001	Highly Significant
Career Development			
Talent Recruitment	0.909**	< .001	Highly Significant
Talent Development	0.926**	< .001	Highly Significant
Talent Retention and Careers Succession	0.882**	< .001	Highly Significant

***. Correlation is significant at the 0.01 level*

Competitive compensation packages and well-designed incentive structures can attract high-caliber faculty and staff to the university. Incentives can encourage faculty to excel in teaching, research, and technological advancements, aligning their goals with the university's mission. By rewarding and recognizing valuable contributions, incentive mechanisms increase employee satisfaction and commitment, reducing turnover rates. Incentives can be tied to professional development opportunities, encouraging faculty to continuously improve their skills and stay at the forefront of their fields. This strong correlation between incentive mechanisms and talent management highlights the importance of designing these programs effectively. Universities should consider a balanced approach that includes both monetary and non-monetary incentives to appeal to a wider range of employee motivators

Proposed Framework

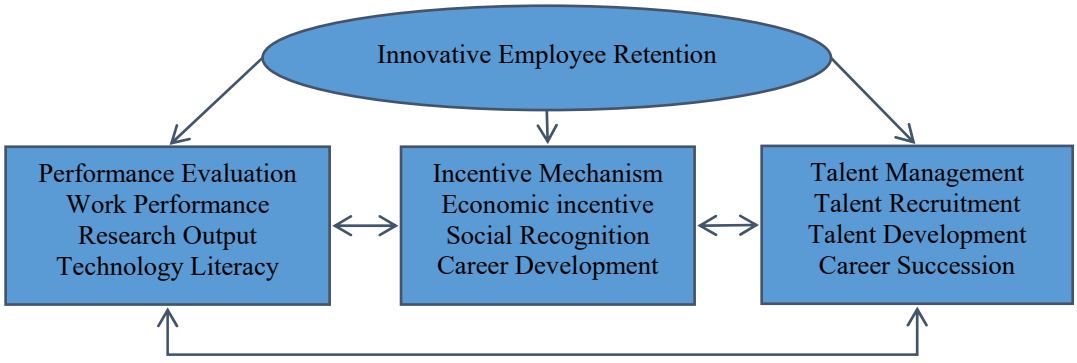

Figure 1. Innovative Employee Retention Framework

The Innovative Employee Retention Framework proposed by the researcher was based on the relationship among factors affecting employee retention such as performance evaluation, incentive mechanisms and talent management. Performance evaluation serves as the foundation for the framework. By thoroughly evaluating faculty and staff in areas like teaching, research, and technology use, the university can identify strengths, weaknesses, and overall performance. Based on the performance evaluations, the framework can incorporate targeted incentives. This could involve salary increases, bonuses, recognition programs, or opportunities for professional development. Effective incentives motivate faculty to excel in the areas the university values most.

Using insights from performance evaluations and the chosen incentives, the framework can guide talent management strategies. This include development programs to address specific needs, career advancement opportunities for high performers, or work-life balance initiatives to boost employee well-being.

An Innovative Employee Retention Framework that considers all these factors can create a powerful system for universities to attract and retain top talent, motivate faculty and staff to excel and foster a positive and productive work environment and enhance the overall quality of education and research they can create a positive and supportive environment for teachers, leading to innovative employee retention to reinforces the positive work environment and attracts more top talent.

4. Conclusion and recommendations

Based on the results of the study, the following conclusions were drawn: The respondents showed a high level of agreement on the performance evaluation as to teaching performance, research output and technology literacy. The Chinese universities manifest good incentive mechanism as to economic incentive, social recognition and career development as highly agreed by the respondents. The respondents highly agreed on the university talent management in terms of talent recruitment, talent development, and career succession. Highly significant relationships exist among performance evaluation, incentive mechanisms, and talent management. An innovative employee retention framework for Chinese Universities was developed to reinforce the positive work environment and attract more top talent.

Top management of the universities may expand professional development opportunities to address specific areas of strength and improvement identified in the performance evaluation. The HR department of the universities may further enhance employee motivation and engagement by implementing additional incentive mechanisms that address individual needs and preferences beyond economic rewards, such as personalized professional development opportunities or flexible work arrangements. The university may consider implementing strategies to further enhance the effectiveness of talent recruitment, development, and succession planning, such as personalized development plans, and mentorship programs. The proposed framework may be utilized by Chinese universities to improve employee retention to reinforce the positive work environment and attract more top talent. Future researchers may use other dimensions of innovative employee retention such as employer brand, work environment and leadership style.

5. References

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