

Pay Structure in Higher Education: Some Issues

T RAVI KUMAR, VIJENDER SHARMA

The pay review committee constituted by University Grants Commission has to ensure that the pay structure it recommends for teachers in higher education is in consonance with the role envisaged for this sector in India's socio-economic development process. The pay profile has to incorporate adequate promotional avenues and be wholly at par with competing professions.

T Ravi Kumar (travikumar_25@hotmail.com) is at the department of economics, Kirorimal College, University of Delhi. Vijender Sharma (vijensharma@yahoo.co.in) is at the department of physics, ARSD College, University of Delhi.

The University Grants Commission (UGC) constituted a pay review committee (PRC) for higher education institutions on September 6, 2007, with the stipulation that the committee submit its report within a period of one year. The four terms of reference for the PRC (chaired by G K Chadha and, henceforth, the Chadha Committee) may be summarised as: (a) to review the previous decision of the government/UGC under the scheme of revision of pay scales approved for university and college teachers and to evaluate the extent to which the earlier recommendations have been implemented, (b) to examine the present structure of emoluments and conditions of service and to suggest revision in the structure of pay, (c) to make recommendations on the ways and means of attracting and retaining talented persons in the teaching profession and for the

furtherance of research in the university system, and (d) to identify and suggest remedial measures for cases of anomalies consequent to the earlier revision of the structure of pay. This paper is addressed primarily to issues related to the first three terms of reference.

Need for Parity

The cornerstone of the pay structure for teachers in higher education has been that it should not be inferior to those available to the all-India services or the Central Services Group 'A'. Parity with competing professions is a necessary prerequisite and the rationale for such parity is that higher education is the sole instrument available for achieving change on a national scale, as it provides critical inputs to social and economic development. There is, therefore, a need to ensure that the teaching profession attracts and retains the best that the country has to offer in terms of human resources.

The Sen Committee Report on University Governance had emphasised the necessity for attracting a fair proportion of the most talented people to education and research and to this end had recommended that "...the scales of pay should signify the high

priority to education, especially higher education” and further that the scales of pay should not be inferior to those available to the all-India services [GOI 1976:1]. This need to attract and retain the “best talent available” was reiterated in the report of the UGC PRC of 1986 (chairperson: R C Mehrotra) which recommended that “there should be parity with the pay scales of the Indian Administrative Service (IAS) or at least with organised Central Services Group ‘A’ ” [GOI 1986: 64]. The UGC PRC of 1997 (chairperson: R P Rastogi, and, henceforth, the Rastogi Committee) emphasised the need to ensure that “skills, understanding and output of the graduate and researchers” generated by the higher education system “is equal to the best in the world” and further that the “academic profession is the mother of all professions in the society”. The report restated that “...pay scales given to the teachers should be comparable, if not better, than those in similar professions....” [GOI 1997b: 8].

Before evaluating the earlier recommendations in respect of the pay structure in higher education, two aspects have to be noted. First, the importance of pay as a determinant of choice of profession has increased considerably in the current liberalised macro-environment. The earlier policies of controlling high incomes to ensure a certain level of equity across professions have been abandoned, with the abolition of ceilings on remunerations of managerial personnel leading to rapid increases in pay in the private corporate sector. In addition, equity promoting aspects of the tax policy such as a high degree of progressivity in the rate structure of income and other direct taxes have been diluted considerably and numerous tax concessions introduced.

Secondly, it is important to identify what is meant by “parity in pay”.¹ Since the choice of profession is dependent on the remunerations received over the span of an entire career, the concept of parity cannot be restricted to equivalence in pay scales alone. Other factors such as the number of promotional grades, the promotional time-frame and the length of the career span are equally important in

determining the overall pay structure of any profession. If policy objectives such as attraction and retention of “best available talent” are being sought to be implemented, parity not only has to be ensured in terms of the pay profiles over the entire career, it also has to be transparent to be acceptable to highly qualified individuals making a choice between careers.

UGC Recommendations of 1997

The career pay profile (CPP) for teachers, as recommended by the Rastogi Committee (RC) in 1997, is compared with the equivalent CPP for the IAS as recommended by the Fifth Central Pay Commission (CPC) in figure 1.² The CPPs have been constructed by unfolding the recommended pay scales over the recommended promotional grades (PGs) in the time-frame applicable for promotions and, therefore, incorporate all the four components that determine the essential pay structure; (a) the scales

below that of the IAS. The cumulative career differential in basic pay, house rent allowance (HRA) and dearness allowance (DA) between the RC CPP and the CPP for the IAS was nearly Rs 55.9 lakh.⁴ There could be, therefore, no claim of any kind of parity with the IAS and the RC recommended pay structure, in fact, placed the teachers at par with Central Services Group ‘B’ [Kumar and Raina 1997].

The UGC, after considering the report of the RC, felt that “...as stated in the Rastogi Committee report, the teaching profession is the ‘mother’ of all professions but the pay structure did not reflect this thinking” and “...while both teachers and the civil service personnel start at the same level, they do not continue to maintain parity throughout their career”. The UGC further stated that, in comparison with the civil services, the pay structure of teachers “...should remain at par, or even higher, in view of the higher qualifications, as also the fact that teachers do not get several other benefits enjoyed by the civil service” [GOI 1997c: 6-7].

The UGC, therefore, rejected the recommendations of its own PRC and suggested a different pay structure for the teachers. The revised CPP emerging from the UGC recommendations of 1997 did reduce the disparity with the IAS to a considerable degree, with the cumulative career advantage in earnings of the civil services cadre over the teachers reduced to a much lower Rs 17.9 lakh from the earlier Rs 55.9 lakh (Figure 1).

Loss of Parity

The UGC recommendations of 1997 were, however, not implemented. The ministry of human resource development (MHRD) modified these recommendations in 1998, substantially downgrading the pay structure of teachers. The CPPs for teachers, as originally recommended by the UGC and as later adapted by the MHRD, are compared in Figure 2. As may be seen, the CPP (MHRD) lies well below that of CPP (UGC 1997). Importantly, the MHRD recommendations widened significantly the disparity in pay structures between the IAS and teachers, with

Figure 1: Comparison of Rastogi Committee and UGC 1997 Career Pay Profiles with the IAS

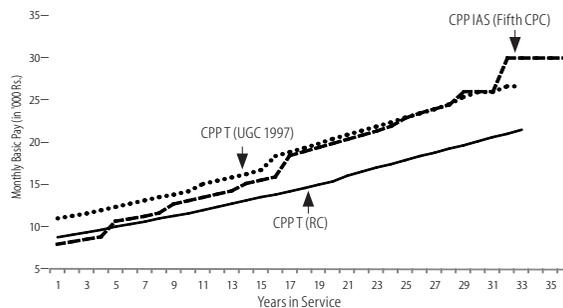
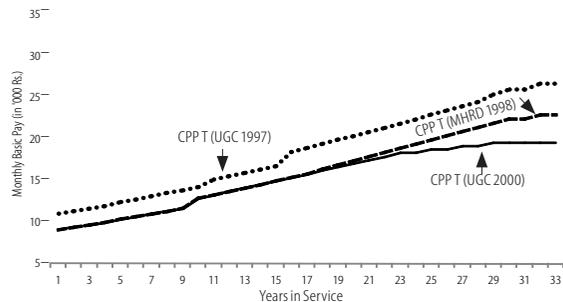


Figure 2: Distortion of UGC Recommendations of 1997 and Consequent Loss of Parity



of pay, (b) the number of PGs, (c) the promotional time-frame, and (d) the length of the career span.³ It is assumed that there is unrestricted traversing of their respective CPPs by both the teachers and the IAS cadre, that is, there is automatic access to the higher PGs once the eligibility conditions are fulfilled.

As may be seen from Figure 1, the RC recommended CPP for teachers lies well

the cumulative disadvantage in career earning of teachers vis-à-vis the civil service cadre increasing to about Rs 43.02 lakh from its earlier figure of Rs 17.9 lakh.

This divergence in pay structures was to be intensified further. On October 6, 2000, the UGC withdrew the career advancement scheme (CAS) for promotion of readers to professors for college teachers across the country without assigning any reason.⁵ Information was sought from the UGC under the Right to Information (RTI) Act and it emerged that the UGC "... examined the issue on merits and realising that the standards in higher education are to be protected and safeguarded – it was decided not to allow promotion of reader to professor under Career Advancement Scheme in colleges".⁶

The withdrawal of professorship from colleges by the UGC had the immediate effect of reducing the number of available PGs for teachers in higher education to two as compared to the three PGs in the MHRD pay structure of 1998 (and four PGs of the UGC recommendations of 1997). No promotional avenue, therefore, exists for teachers after the first nine years of service which also implies that three out of four determinants of the pay structure – available PGs, associated pay scales and the time-frame for promotions – become inoperative after this point. The only increase in pay thereafter comes about due to the negligible annual increments.⁷ This also stops when the upper limit of the second (and terminal) PG is reached with the consequence that teachers across the country reach the maximum pay attainable in their early fifties and stagnate thereafter till they retire from the profession.⁸

The adverse impact of this decision of the UGC in 2000 on the promotional structure of the teachers is reflected in their CPP, which was pulled below that of even the CPP as determined by the MHRD in 1998 (Figure 2). This decision further increased the total disadvantage in the gross pay to about Rs 50.3 lakh for teachers over their entire career, as compared to the civil services cadre. Despite the oft-stated policy of commitment to parity with all-India/Group 'A' services, the process of its erosion, initiated by the form in which the recommendations of the UGC in 1997 were operationalised by the MHRD in

1998 and culminating with the withdrawal of professorship in 2000, finally pulled down the pay profile of teachers to a level which was at par with Group 'B' services instead [Kumar and Sharma 2007].⁹

Need for a Consistent Policy

It is extremely difficult to understand how the removal of parity with all-India/Group 'A' services – the parity whose necessity has been emphasised by successive PRCS of the UGC itself – will protect and safeguard standards in higher education. A recent government report acknowledges the adverse conditions confronting teachers and states that the "perceptible decline in the popularity and status of the teaching profession" provides "considerable cause for anxiety" [GOI 2006a: 38]. It also identifies stagnation in actual emoluments, inadequate remuneration, the absence of administrative and political power in the vocation, and the increasing availability of new professions that offer larger opportunities for personal and professional growth as the reasons contributing to the decline in the status of teaching as a career option.

One of the immediate consequences of the inadequate pay structure and erosion of parity is the increasing number of teaching positions that are lying vacant in higher educational institutions across the country. For example, there is a severe faculty shortage in the central universities with even sanctioned positions not being filled [GOI 2006a: 23]. In a recent notification, the UGC amended the regulations for the minimum qualifications for appointment and career advancement of teachers in universities and colleges by exempting candidates having PhD degree from the National Eligibility Test (NET) for both post- and undergraduate teaching and candidates having MPhil degree from NET for undergraduate teaching.¹⁰

This measure, introduced to facilitate expansion of faculty in institutions of higher education, raises further issues in respect of the policies being pursued in this sector. The teaching positions are lying vacant due to a lack of meritorious candidates fulfilling the stringent eligibility criteria governing appointments to these posts and are a direct consequence of the failure to attract the best human resources in the country to the

higher education sector. The dilution of recruitment parameters may well succeed in filling up of the existing vacancies by making the less meritorious candidates eligible, but how does attracting residual elements (but not the best talent) to the teaching profession "protect" and "safeguard" standards in higher education?

In conclusion, it may be said that the Chadha Committee has to ensure that the pay structure it recommends for teachers in the higher education system is in consonance with the role envisaged for this sector in India's socio-economic development process. The document "India Vision 2020" is predicated on the presumption that "human resources are the most important determinant of overall development" and states that a successful education policy forms the "bedrock of all fields of national development – political, economic, technical, scientific, social and environmental" [GOI 2002: 5-6]. The Approach Paper to the Eleventh Five-Year Plan states that the higher education sector is "finding it difficult to get quality faculty given the enormous increase in private sector opportunities" and that there is a "serious shortage of qualified research personnel in educational institutions" and, further, emphasises the need to "create an environment that will attract top class faculty to our universities" [GOI 2006b: 62-63]. Another document states that India has to be in a position to "develop human resources that are capable of utilising available knowledge to create wealth and of generating new knowledge and innovation" and any failure to do so will result in India losing out in the intensely competitive, globalised environment of today [GOI 2006a: 88].

To enable the higher education system to perform its assigned tasks – including the crucial one of ensuring national self-reliance – capably and efficiently, it is critical that it attracts and retains the best available talent within the country. The Chadha Committee, therefore, has to ensure that the pay structure it recommends for teachers incorporates adequate promotional avenues and is wholly at par with competing professions.

NOTES

- 1 It should be noted that the concept of parity utilised in our arguments has been restricted to the actual monetary pay. If the material and

non-material perquisites such as officially provided housing, transport, telephones, attendants, allowances other than DA and HRA as well as the ability to influence administrative policymaking are taken into account then the pay structure of teachers should be placed well above that of all-India/Group 'A' services to ensure absolute parity.

- 2 The CPP for the IAS has been derived on the basis of the Fifth Central Pay Commission recommendations as finally implemented (See GOI 1997a, and also GOI 1997c, Annexure III).
- 3 The CPP for teachers has been constructed throughout the paper on the assumption that they have a PhD at the time of entry into the profession, which has been assumed to be at the age of 30 years while it has been assumed to be 25 years for the IAS due to the lower minimum eligibility conditions for entry. Though the minimum qualification for teaching in the higher education system is postgraduation, a PhD is often essential for permanent recruitment in many disciplines. The advance increments given for entry with a PhD are incorporated in all the CPPs for teachers.
- 4 Differences in cumulative career earnings are estimated as $\sum_{i=1}^j [B(IAS)_i - B(T)_i]$ where B is basic pay in any month 'i' in the year 'j'. Added to this differential is HRA, computed as 30 per cent of the basic pay, and DA. The utilised DA coefficient relates to December 2007 and is a constant across the years. The estimated HRA relates to only one category of cities while the estimated DA assumes constancy of the price level. While both assumptions are somewhat arbitrary they will not

affect the conclusions in any significant manner as both DA and HRA have a similar functional relationship with basic pay across the two professions. In addition, since this is only an indicative exercise, we have aggregated over time without discounting to keep the analysis simple.

- 5 Communication No F3-1 94(PS) of October 6, 2000 written in reference to office DO No F3-1/94(PS) of October 27, 1999.
- 6 Quoted from the extract (item 2.04) of the minutes of the 303rd meeting of the UGC held on October 30, 2000 (authors' italics). The RTI application was filed by the first author in December 2005.
- 7 In the civil services, the low magnitude of increments does not matter as much since the cadre get promoted relatively quickly to the next PG thereby obtaining significant jumps in their basic pay [see also Kumar and Sharma 2007].
- 8 Subsequently, in 2007, the retirement age for teachers was increased to 65 years (from the earlier 62) thereby prolonging the period of stagnation.
- 9 The pay structure of teachers, in fact, has been almost reduced to that which was originally recommended by the RC, whose report was rejected so comprehensively by the UGC in December 1997 [GOI 1997c].
- 10 Notification F No 1-1/2002(PS) Exemp dated June 14, 2006.

REFERENCES

GOI (1976): *Report of the Sen Committee on the*

Governance of Universities and Colleges, Ministry of Education.

- (1986): *Report of the UGC Pay Review Committee* (chairperson: R C Mehrotra), Ministry of Human Resource Development.
 - (1997a): *Report of the Fifth Central Pay Commission*, Ministry of finance.
 - (1997b): *Report of the UGC Pay Review Committee* (chairperson: R P Rastogi), Ministry of Human Resource Development.
 - (1997c): *Recommendations of the University Grants Commission on the Report of the Pay Review Committee*, Ministry of Human Resource Development, December.
 - (2002): *Report of the Committee on India Vision 2020* (chairperson: S P Gupta), Planning Commission.
 - (2006a): *Final Report of the Oversight Committee on the Implementation of the New Reservation Policy in Higher Educational Institutions* (chairperson: M V Moily), Ministry of Human Resource Development, September.
 - (2006b): *Towards Faster and More Inclusive Growth: An Approach to the Eleventh Five-Year Plan*, Planning Commission, December.
- Kumar, T Ravi and Badri Raina (1997): 'Rastogi Committee Pay Structure: Disincentives Reinforced', *Economic & Political Weekly*, August 2, pp 1985-90.
- Kumar, T Ravi and Vijender Sharma (2007): 'Sixth Pay Panel Must Ensure Parity in Salary Structures Too', *The Economic Times*, January 16.