

**Performance Measurement of Higher Education Institutes: A Comparative Analysis of Public
and Private Sector to develop an Academic Scorecard**

Final Draft



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Session: MS-ManagementFall-2009

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Acknowledgment

First of all I pay my thanks to Allah al mighty whose infinite Mercy, care and grace makes me to reach to the final stages of my research work while writing these thankful lines.

Secondly, to my parents for their moral support and prays for my success and my supervisor, Dr. Ahmed Faisal Siddiqi for the help, support and guidance which remains with me throughout this journey. His valuable advice and keen interest enabled me to complete the thesis.

To all my teachers at University of Management & Technology (UMT), for being so supportive and helpful.

I am grateful for some of my very special friends whose professional excellence and unconditioned support makes my writing smooth and comfortable till the end.

Thank you all.

Title: Performance Measurement of Higher Education Institutes: A Comparative Analysis of Public and Private Sector to develop an Academic Scorecard.

Degree: Thesis requirement for the award of MS-Management degree.

Abstract:

Education sector plays a vital role in the development of a nation. And is considered to be responsible for meeting the demands of skilled labour force. This study focused on the performance measurement of different higher education institution and tried to outline an academic scorecard for measuring institutional performance in Pakistan. In developing the academic score card, the idea was taken from balance score card but its use was very minimal in this study. Its major emphasize was on producing initial portfolio for key performance indicator that will serve as springboard for measuring performance in academic institutions. Data was collected from the twenty five universities of Lahore from both public and private sector.

Results revealed that performance measurement system is considered to be an important tool for higher education institutes' growth and the leaders of the various institutes do realize its importance in the education sector. But the performance indicators set by the two sectors are different. The academic score card obtained at the end ranked internal growth perspective to be the most important performance indicator for the higher education institutes in comparison to the financial perspective.

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Chapter1: Introduction

1.1 Background:

Educational institutes are the key player for the nation development by supporting global development strategies by fulfilling the needs of highly skilled manpower and research. Today higher education institutes are considered to be the building blocks for the development of a nation. They are equipping the nation with updated knowledge and skills (Musarat et al., 2011).

Thus the one step in regard to Pakistan's government innumerable efforts to enhance intellectual capital and enrollments, is the establishment of the Higher Education Commission (HEC). Its main responsibilities are, to evaluate, improve and endorse the higher education and research culture in both sectors of Pakistan: public and private. Since its establishment (2002), the HEC has "undertaken a systematic process of implementing five-year agenda for reform outlined in the HEC Medium Term Development Framework (MTDF)" (Ali, 2008: pg.02). Thus, with HEC inception, private sector universities number has grown from twenty five in 2001 to fifty three in 2010 and consequently enrollments rate in private sector's higher education institutions surged from 43,873 a 15.8% of the total enrollment of 276,274 (2001) to 115,369 a 14% of the total enrollment which is 803,507(2009).

The higher education sub sector is very important in education and plays leadership role in all walks of life. By providing the quality education we can produce quality products. Private sector is competing with public sector in education. This study aims at measuring and comparing the performance of higher education institutes both from private and public sector and trying to figure out the common grounds of performance indicators in both sectors. And also come up with the comparative standards set by the both sectors institutes. At the end will develop an academic scorecard based upon the performance indicator's data obtained from the two sector's higher education institutes.

1.2 Introduction:

The education or academia is a term related to the proper teaching-learning activities of an educational institution. The higher education includes the education above the intermediate level which is Bachelors,

Masters, Doctorate and Post Doctorate programs. A lot of work has been done globally for the development of education sector. And except too many other factors, hi-tech science and computer labs, proper infrastructure, quality of teachers and quality of atmosphere in education institutions are given preferences. Now the top universities are offering scholarships to students in seek of the best human minds. As there is anticipation of changes in education and related fields, an integrated curriculum in research and design is required for "educational development". The top universities of the world are now collaborating with each other for the development in research area and to produce improved literature to be studied by coming generations.

The evaluation systems can help the organizations and individuals to maintain the purpose and clarity around their mission, goals and objectives but also ensure that they have sustained the position while delivering their desired outcomes. Measurement systems served as feedback mechanisms that provide us that what best works and where the change or adjustment is needed. They provide valuable information on the impacts, intended and unintended, of our actions and initiatives and as such is an important part of all learning, living systems. Well-constructed measurement systems can ensure a consistent stream of direct and concise feedback system(Storrs, 2010).

In response to the stakeholder's growing concerns about poor or inconsistent quality, higher education institutions are constantly exploring ways for education quality improvement(Lawrence et al., 2001). Many colleges and universities have looked up methods from industry and adopt some type of total quality management (TQM) system to create competitiveness (Hubbard, 1994; Vazzana et al., 1997). In the USA, there is a tremendous pressure on universities in providing high-quality education and operating result. This is according to (Tang and Zairi, 1998), the result of:

- A decline in the traditional pool of higher education students;
- Growing dissatisfaction and frustration with spiraling college costs and
- Undergraduate teaching practices;
- Many parents overwhelmed by the financial pressure; and
- Government fiscal restraint.

UK's higher education commission also faced the extraordinary and increasing levels of market accountability impulsive by the legislative processes of subsequent administrations (Tang& Zairi, 1998). The stakeholders of higher education sector for managers justify their actions and demonstrate quality and effectiveness has never been greater as in recent years. These drivers led the focus of university on (Chen, 1997; Tang and Zairi, 1998)