Performance evaluation of higher education; a necessity

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Abstract

Higher education has vital role for developing human resource in the economic and development growth of countries. Thus, in order to gain the better future, containing strategic planning is essential. On the other hand, over the past decades, the number of universities has been increased; therefore the international competition highlights the importance of improved performance of strategies. In this regard, performance assessment helps organizations to plan future strategies and set up performance targets of employees to achieve the final target of the entire organizations. Describing the significance of higher education performance evaluation is the major purpose of this paper.

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1. Introduction

The value on the nations not only relies to natural resources but also it depends on people, management and government. Education plays a basic role in future of nations. Now days, governments identify the importance of higher education. It is obvious that knowledge and education have effective roles in business environment so that many organizations have identified the significant of strategy such as benchmarking to reach a competitive merit.

In today’s competitive environment, better performance and commitment to achieve a competitive advantage (Gleich, et al, 2008; Neely et al, 1995) is essential for universities as the places for knowledge worker, knowledge direction and education. Higher education institutions gradually altered to institutions which are lead by competitive market stimulus, commercial and economical necessities, then they get away from their governmental identity (Clarke, 1997).

On the other hand, to achieve the final target of organization, performance evaluation that is an assessment model could help organizations to compare past plans and executions of strategies and sketch future strategies and set up performance targets of employees. Performance appraisal also possesses the function of responding policy and unifying the target of organizations and individuals. Green and Keim (1983) stated that “performance evaluation is for achieving the entire target”.

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It is important to recognize how to examine the performance evaluation of universities and how to improve them. There are many studies that evaluate the method about operating evaluation (Chalasani & Sounderpandian, 2004; Gleich et al., 2008; Maiga & Jacobs, 2004; Wynn-Williams, 2005). Some literatures recognized key performance indicators, including tangible and intangible aspect (Chin et al, 2001; Himes, 2007; Jones & Kaluarachchi, 2008; Mukherjee et al 2002; Robson & Prabhu, 2001; Wainwright et al 2005; Welch & Mann, 2001). Focusing on financial accounting examines, such as payback period has been criticized as the root reason for problem in industries (Hafeez, et.al, 2002; Amy H.I. Lee, et al, 2008).

The aim of this paper is to show the importance of performance evaluation of higher education in developing countries. In this regard, the significance of higher education and its benefits such as economic, health, knowledge society, and industrial development will be discussed and finally, the necessity of the performance appraisal is described.

2. Importance of higher education

There has been enormous growth in the number of universities (including colleges) over the past decades, under the background of an expanding number of universities and lacking sources of education, universities have to add economic purpose into their targets of running schools to gain profits through offering social services. In consequence, facing the high competitive situation of recruiting students, all universities have to dispense with conventional management practice and replace it by applying concepts of business operations to achieve the ends of sustainable development and survival (Hung. et al, 2011).

Higher education has the additional role of reflecting and promoting an open and meritocratic civil society. Civil society is neither state nor market, but is a realm that links public and private purposes. Within this realm, higher education promotes values that are more inclusive or more “public” than other civic venues, such as religious communities, households and families, or ethnic and linguistic groups. Furthermore, higher education is expected to embody norms of social interaction (World Bank, 2000). The best higher education institution is a model and an impetus for creating a modern civil society. More generally, a society that wishes to build or maintain a pluralistic, accountable democracy will benefit from a strong higher education sector (World Bank, 2000).

The vitality of higher education is a fundamental and increasingly important determinant of a nation’s position in the world economy. It contributes to labor productivity, entrepreneurial energy, and quality of life; enhances social mobility; encourages political participation; strengthens civil society; and promotes democratic governance. As Figure 1 shows, higher education can lead to economic growth through both private and public channels (Bloom et al. 2006a).

![Figure 1. Higher education can benefit economies (source: Bloom et al. 2006a)](image)
Bloom et al. (2006b) found a positive and statistically significant correlation between higher education enrollment rates and governance indicators, including absence of corruption, rule of law, absence of ethnic tensions, bureaucratic quality, low risk of repudiation of contracts by governments, and low risk of appropriation.

Higher education has contained economic development as part of mission. The colleges and universities serving the region have devoted financial, physical and human resources and created entrepreneurship systems within the institutions to advance economic development (Niu Outreach, 2005). The necessity of higher education is a fundamental and increasingly important determinant of a nation’s position in the world economy. It contributes to labor productivity, entrepreneurial energy, and quality of life; enhances social mobility; encourages political participation; and promotes democratic governance.

Wolff and Gittleman (1993) showed that university enrollment rates are correlated with labor productivity growth. The number of scientists and engineer is also associated with economic growth.

On the other hand, higher education can give bellwethers the confidence, flexibility, expanse of knowledge, and technical skills needed to effectively encounter the economic and political actualities. In addition, industry plays a basic role in the country development. Industry, in one way, depends on the technicians and mighty engineers that can be produced only if the country has a beneficial education system and standard (Seher Sultana, 2010) and higher education is completely essential for educating scientists, engineers, and others to help compass, accept, and functional technology in all sections (World Bank, 2000).

Although a well-functioning higher education system will certainly be necessary in most countries but operating under the most favorable of circumstances, is not sufficient for social and economic development (World Bank, 2000). In brief, statistical analysis, case study, and common observation all point to the fundamental importance of higher education to development.

3. Necessity of appraisal in higher education

Traditionally there has been little competition within higher education systems. Generally, competition promotes beneficial innovations and overall quality improvements. In competitive society all the organization is attempting to achieve stability development and survival. With considering of expanding number of universities and shortage of education sources, universities for gaining profits through offering social service have to add business purpose in to their targets.

It is related that outcomes of the international competition and overcrowded of higher education caused to change the basis upon, that this research has been done. As much as young people are ambition to take part to universities, so the massification of higher education is occurred.

Higher education systems, now, are under great pressure to improve the quality of the education they offer but also to educate increasing numbers of students (World Bank, 2000). On the other hand, no treatment of higher education is complete without a discussion of financing. In financial terms, the global higher education section is considerable and development rapidly.

Universities are trying to how to improve university effectiveness and efficiency. They are going to provide better education for rising number of students with lower cost. Institutions attempt to improve accountability while dealing with the more difficult and complex issue of how to improve university effectiveness. As much as higher education help to commercial and cultural development of our societies and for social cohesion. On the other hand universities will have effective role in economic development.

It is obvious that, nowadays universities will play an importance role in providing the knowledge and resource knowledge and the educated citizen ability of appealing for prosperity, security and social well being (Duderstadt, 1997).

Besides that, performance appraisal and reward scheme are caused to their staff focus on hard working and as well as self improvement be implemented in organization. Therefore the performance evaluation and appraisal plan are vital to universities.

Whereas performance evaluation apply and access the vital strategies of the organization are main function of management and performance appraisal is unessential needs of universities. With considering to Clark (1998)
statement the universities have entered a period of infinite turmoil that has been raised. Therefore knowing the university difficulties and assessment of their operating are important. In addition the new economic and cultural scheme has made universities a leading figure in this way (Azma, 2010).

4. Conclusion

In today’s knowledge-based economy, higher education institutions as the centers for developing human resource play an essential role in countries’ economic development and growth (King, 1995). Education is widely concurred as a guide appliance for elevating economic development.

Higher education may create to increase savings and investment, and lead to a more entrepreneurial society. It can also improve contribute to reduced population growth and improve technology. In order to compete in today’s competitive surroundings, many organizations have identified benchmarking as being of strategic important in the drive for better performance and commitment to gain a competitive merit (Gleich, et al, 2008; Neely et al, 1995).

Without a general understanding of past events, there will be no permanent change and improvement (Azma, 2010). Therefore, without the performance evaluation based on key factors, there will be no permanent improvement in the enhancement of the quality of the universities. Rich measurement information will have a positive and desirable effect on the quality of management decisions (Geert and Edwin, 2004). Performance appraisal has become a fundamental part of organizations. It came from the need of organizations to observe how it performs certain actions and operations that aims to reach its goals.

The potential performance evaluation frameworks such as BSC (Balance Score Card), EFQM (European Foundation for Quality Management) or others could be studied for implementation in universities in future.

References


