

An Investigation of the Factors Affecting Institutional Performance: Evidence from Higher Education Institutions

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The performance of institutions is squarely anchored with different factors that affect the institutional credibility and success either positively or negatively. The best performance on the part of institutions is the most dynamic issue for the institutions in attaining the desired objectives, ranking, and success. Still, there exists a dynamism that facilitates as well as interrupt the performance of the institutions in which academic, economic, and political aspects are the foremost. These factors are responsible either for the success or failure of higher education institutions in developing countries like Pakistan. In this connection, the present study confirms and validate the existence of the relationship between certain dynamic factors and institutional performance by collecting primary data over questionnaire from respondents hailing from higher education institutions of KP, Pakistan. A total of 325 respondents were selected from the entire population over simple random sampling techniques wherein each member of subset has an equal probability of being selection. Data were analyzed through statistical procedures (i.e., correlation and regression) to examine the hypotheses as developed from the theoretical framework. The results are valuable by providing significant information about the relationship (association, cause and effect) among the research variables and recommendations for future research.

Keywords: factors (academic, economic & political), institutional performance, HEIs

In the contemporary era, there are certain growing interests and expectations from higher education concerning the leadership, management, and effective utilization of human resources to ensure the best institutional performances for delivering effective teaching and learning facilities. The developments in teaching and learning are influential in nurturing students' behaviors who

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1. Khan & Khan, contributed in: topic selection, introduction, literature review, analysis and conclusion.
2. Idris, contributed in: methodology, interpretation and discussion section.

subsequently grow as leaders to look for the challenges at different levels both personal and professional (Yielder & Codling, 2004). In recent times, circumstantial variations have been witnessed in the higher education sector that created various challenges for institutions. The main challenges are related to internationalization, institutional development in the private sector, globalization of the market, increased academic mobility (cross-border), and cutbacks in funding in the public sector (Baldwin, 2009). Consequently, in an educational setting, institutions are usually confronted with different challenges about leadership paradigms, and academic and administrative affairs along with the political influence which ultimately brings the credibility of institutions at stake (Whitechurch & Gordon, 2010). Thus, there is a need for inclusive competencies (managerial capabilities) required by the institutional leadership and management to cater the situation and to meet the demands of the stakeholders (Austin, 2012).

The above-mentioned impairments are phenomenal in the higher education context due to their significant role in the development of teaching and learning standards and the provision of quality education to the students (future leaders). Along with these impediments, higher education institutions are also confronting technological changes with the multi-dimensional challenges to adopt the latest technologies for competing in the markets and to cater to the demands of stakeholders (Stephens et al., 2008). The socio-academic and socio-economic circumstances have been changed dramatically that increases demands for the highly competent, skilled, educated, and committed workforce, vital for attaining the high valued tasks leading to a respectable performance of the institutions (Lukman, Krajnc & Glavic, 2010). In this connection, the role of leadership and management becomes vital in meeting the academic and administrative demands to maintain the credibility of the higher institutions (Lozano et al., 2013). For this task, the leader concerned need to have a strong understanding of complexities confronted by higher education institutions among which employees and institutional impediments are the foremost.

The main impediments in the higher institutional context are concerned with the complexities that the concerned institutions face from inside and outside domains. In this regard, these impediments around the institutions are mainly concerned with the employees and institutions from diverse magnitudes related to sustainability (Bullock & Wilder, 2016). The institutional walls include economic, academic, and political issues which have a strong influence on the management and leadership and eventually affect the sustainable development of the institution in diverse manners (Alghamdi, Heijer & Jonge, 2017). The main focus in this study is on the academic and economic issues that have a strong influence on the smooth functioning of the institutions in diverse manners. The reason is that the impact of such radical issues is widely researched with regards to having an undesirable effect on institutional credibility and success by acting as transformative agents for sustainable societies (Findler, Schönherr & Martinuzzi, 2019). However, the weakening parameters in the employees' context are absenteeism, burnout, intention to leave, and motivation that also affects the working format of the entire institution. Both these impediments (employees and institutional) are likely to affect the performance of both the institutions and employees from different dimensions.

Problem Statement

This study focused to examine certain impediments (academic, economic and political) that are likely to have a significant impact on institutional performance. Therefore, the study aimed to examine the association (correlation) between institutional impediments and institutional performance in the higher education context. The study also aimed to examine the impact

(regression) of institutional dynamic issues on institution performance. These are measured as the most crucial factors that are widely researched to have a positive and negative influence on institutional performance.

Literature Review

The fast-growing changes in the education sector especially in the academic and administrative spheres enforced the institutional management and leadership to divert their attention more toward sharing creativity and implementing innovative techniques to track their institutions on the way to development and success (Rowley & Sherman, 2003). In such a situation, the academic institutions occupy a unique place due to globalization in every sphere of life (Ekundayo & Ajayi, 2009). Thus, the institutions are more exposed to the diverse challenges related to academic values, administrative control, economic backing, and political influence that need additional competencies from leadership and management to cater to the situation (Catrin, Miller & Hamrin, 2014). In this connection, the dynamism in higher education institutions is directly proportional to the competencies of both the employees and leadership. The success of higher education institutions hinges on the effectiveness of leadership about the academic, economic, and political extents (Graham & Antony, 2017). In the present study, the leading issues under investigation are economic, academic, and political factors that need to be evaluated on the priority basis to enhance the standards, performance, standing, and ranking of the higher educational institutions.

Academic Influence

Academic influences are mainly concerned with the standards which are responsible for influencing the academic standards relating to teaching and learning activities overwhelmed at encouraging environment and performance. The institution is the structure that is formed by individuals having varied features, practices, predictions, emotional states, and educational heights which all together act in realizing institutional objectives (Lucas, 2000). Likewise, to withstand the institutional strength, the employees and leaders need to have a strong vision, mission, and capabilities aligned with institutional values and thereby showing higher performances by working and supporting each other (Bolden et al., 2012). The faculty and leadership in higher institutions usually play the visible and vital part and is measured as the important means toward excellence in the academic standards (Graham & Antony, 2017). However, some other issues also exist which are responsible for poor academic standards like least relevant curricula, lack of skills, poor selection, favoritism, lack of facilities, violent and politicized unions (student & employees). Similarly, the law and order situation, lack of effective teaching, learning, and advanced research also counts significantly towards the institutional performance.

Economic Influence

For higher education development, the availability of sufficient funds and economic support from the government is vital in determining institutional performance. The economic change needs stable and viable economies, however, regrettably in developing countries, the education sector lacks the fundamental economic support which is vital for the credibility of the higher institutions (Chaudhry, Iqbal, Gillani, 2009). The governments are spending a small portion of the budget on the education sector despite the various technological challenges faced by institutions that become the root-cause leading to economic impediments in higher education (Tehmina, 2012). The population has been increased rapidly but the investment in the education sector is still lower and is not up to the mark to cater the situation. Also, budgetary constraints and the lower budget ratio for higher education are the main hurdles for higher institutions in managing institutional affairs (Alghamdi et

al., 2017). The short budget, limited economic resources, and overemployment are the leading factors resulting in the poor performance of the institutions. However, the situation can be managed through the capabilities of competent leadership and committed employees to improve the institutional performance at par with the desired standards.

Political Influence

The primary function of education is to produce awareness among individuals about their rights and responsibilities in societies and institutions thereby creating an environment of trust and obligation over cooperation and participation. In this connection, the higher education institutions are more influential in shaping the individuals' behaviors towards the institutional objectives by eliminating the undesirable influences in the institutions (Stephens et al., 2008). One of the main influences in this connection is the political interference in the institutional affairs as well as in the students' politics that brings the institutional credibility at stake and affect the institutional smooth functioning (Linda, 2017). Thus, the main reason of the educational system devastation is the political intrusions in academic institutions. In this regard, the higher education institutions may not be able to attain the desired excellence until these institutions lessen political interference (Rashid & Mukhtar, 2012). Political leaders also influence the institutional management in pursuing their interests in appointments of various cadres. The consistent effort from the top and bottom is missed since the educational institutions are affected frequently by unnecessary and an uncalled political and bureaucratic intervention in institutions.

Institutional Performance

Institutional performance is the dynamic feature that is solely responsible for the success of higher education institutions. The institutions that have the capabilities meet the main impediments like academic, economic, and political are expected to have respectable performance and thus leads to successful institutions in a contemporary competitive situation (Thornton & Audrey, 2008). In this connection, the institutions need to implement transparent policies related to the recruitment, training, reward system, and motivation for the utilization of institutional resources efficiently and effectively (Ghazi, Ali, Khan, Hussain & Fatima, 2010). In this way, institutions may be able to meet the demands of stakeholders and to attain the desired status and ranking. Similarly, effective performance management is vital for the higher education institutions in attaining the desired institutional performance (Rashid & Mukhtar, 2012). The performance of higher institutions is at stake due to the introduction of various dynamic changes in spheres of advanced technologies, internationalization leading to regionalization and globalization, changes in professional networks, progress in knowledge societies, personal features, and socio-cultural tendencies, and marketization in the higher education.

The possible solution to these problems includes effectiveness, quality, access, and costs which are the core requirements on the part of higher education institutions to meet the desired values and to meet the desired success (Lozano et al., 2013). Academic excellence is the main objective of higher institutions by which the concerned institution might be able to attract the new consumers overwhelmed at the increased ratio in the students' enrollment (Bullock & Wilder, 2016). Such a situation necessitates to understand issues concerning leadership and economic parameters by generating more revenues from their internal sources. This would help in meeting the demands of stakeholders by providing them the facilities at par to the required level to sustain sustainability (Findler, Schönherr & Martinuzzi, 2019). The higher education institutions direly need to grip the situation concerning the political influence by implementing intransigent strategies through

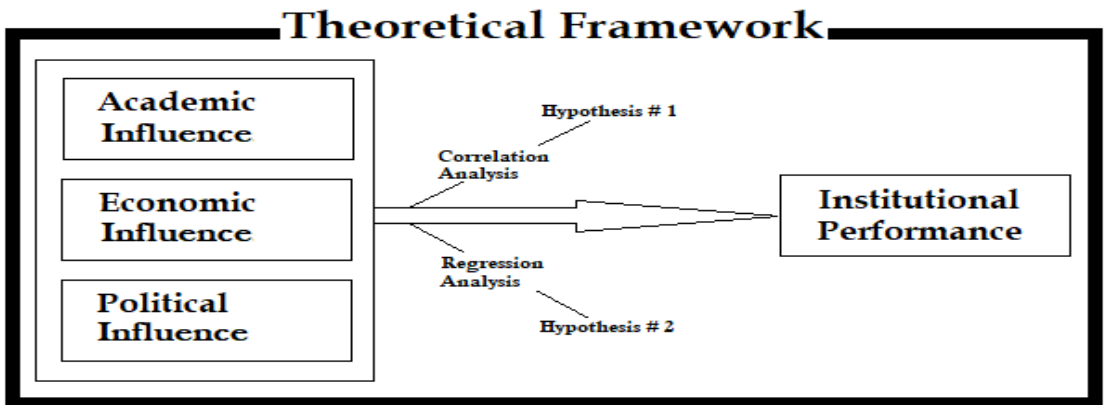
repudiating both inside and outside influences which which would bring positive changes in the institutional working format and thus would result in the respectable performance of the institution.

Hypotheses of Study

H₁: The factors (academic, economic & political) have positive and significant association with the institutional performance.

H₂: The factors (academic, economic & political) have positive and significant impact on institutional performance

Figure 1 Theoretical Framework



Method

Appropriate methods and procedures, supported by proper tools and techniques are essential for conducting any research study systematically. Keeping in mind the nature of the study, a cross-sectional design was used to analyze the data from the population through a representative subset and at a definite point in time. The current research is based upon the positivists' approach as it aims to investigate the existing realities in higher education context by exploring and analyzing the views towards different issues analyzed through using the statistical procedures (Saunders, Lewis & Thornhill, 2009). Likewise, the approach for accessing the sample of the population is the survey which is suggested as the best approach (Creswell & Clark, 2011). The population includes the total of 1720 faculty member from the four selected universities (two oldest universities and two newly emerged universities) wherein a sample of 325 was selected over formula (Yamani, 1967) by using simple random technique. The primary data was collected through a questionnaire. Consequently, a total of 325 questionnaires were distributed among the respondents, wherein 310 were recollected with 95% response rate. The researcher ensured the respect, dignity, privacy, and confidentiality of the respondents by ensuring the ethical considerations of the research. Data were analyzed through correlation and regression to testify the research hypothesis as extracted from the theoretical framework and to reach the conclusion.

Table 1
Sample-Size of Study

E	Formula used	N	Sample Size
0.05	$n = N/1 + Ne^2$ $n = 1720 / (1+1720 (0.0025)), n = 324.52$	1720	Distributed = 325 Recollected = 310

(Yamani, 1967)

Results

Data analysis is an important phase in research wherein the researcher examines the views of the respondents obtained through questionnaires and analyze them through the statistical process. The statistical procedure includes descriptive and inferential procedures to find answers to the research question. However, reliability statistics have also been offered to examine internal consistency.

Table 2
Measuring internal consistencies through Cronbach Alpha

Variables	Items	Cronbach's Alpha
Academic Influence	08	.869
Economic Influence	08	.776
Political Influence	08	.813
Institutional Performance	10	.894
Instrument	34	.898

The internal consistency among the measures in the instruments was examined through the Cronbach Alpha. The independent variables were measured over eight (08) items for each variable while the dependent variable was measured through 10 items. Total 34 items were in the instrument where the academic Influence (08 items = .869), economic Influence (08 items = .776), political Influence (08 = .813) and institutional performance (10 items = .894). Hence, reliability analysis provides sufficient information in deciding internal consistency among the variables in the instrument.

Table 3
Correlation analysis to examine association

		Academic	Economic	Political
Economic Influence	Pearson Correlation	.373**		
	Sig. (2-tailed)	.000		
	N	310		
Political Influence	Pearson Correlation	.252	.303**	
	Sig. (2-tailed)	.000	.000	
	N	310	310	310
Institutional Performance	Pearson Correlation	.681**	.532**	-.456**
	Sig. (2-tailed)	.000	.000	.000
	N	310	310	310

The association between institutional Influences and institutional performance was examined through correlation to analyze the strength and direction of the association between predictors (academic, economic & political Influences) and criterion (institutional performance). The results revealed that all the predictors are significantly associated with criterion variables where academic Influence ($r = .681$ & $p\text{-value} = .000$) and economic Influence ($r = .532$ & $p\text{-value} = .000$) are positive and significantly related with institutional performance while the political Influence ($r = -.456$ & $p\text{-value} = .000$) is significantly but negatively associated with the institutional performance. Therefore, due to both positive and negative associations among the research variables, the hypothesis is thus partially accepted. It can be assumed from the results that both the academic and the economic influences are vital in determining the institutional performance in constructive manners while political influence has an undesirable influence on institutional performance in an educational context.

Table 4

Regression analysis to examine cause-&-effect relationship

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.790 ^a	.624	.618	.41324

Table 4a Regression Analysis

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.661	3	17.887	104.746	.000 ^b
	Residual	32.275	189	.171		
	Total	85.936	192			

Table 4b Regression Analysis

Coefficients						
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	2.931	.324		9.059	.000
	Academic Influence	1.334	.117	.794	11.400	.000
	Economic Influence	.650	.076	.543	9.733	.027
	Political Influence	-.799	.052	-.877	-15.447	.000

a. Predictors: (Constant), Academic Influences, Economic Influences & Political Influences,

b. Dependent Variable: Institutional Performance

The impact of institutional factors towards institutional performance was predicted through hypothesis # 2 by using the regression procedure. The results of the summary table show that 62.4% variance in criterion variable (institutional performance) is predicted by independent variables (academic, economic & political influences). The results further showed the most significant impact of predicting variables on institutional performance. Likewise, academic influence show significant impact on institutional performance ($\beta = 1.334$ & $p\text{-value} = .000$), preceded by the economic influence ($\beta = .650$ & $p\text{-value} = .000$) while the political influence negatively predicted the institutional

performance ($\beta = -.799$ & $p\text{-value} = .000$). It can be assumed from the results that the economic and academic impacts have a significant, but a positive impact on institutional performance while political influence has a significant, but a negative impact on the institutional performance. Therefore, the results provide significant information in deciding the linkages between institutional influential factors and institutional performance in a higher educational context.

Discussions

Around the globe, higher education has been measured as an important sphere due to its greater importance towards the development of the countries. The main theme of higher education is to provide quality education to students by nurturing their attitudes and behaviors (Yielder & Codling, 2004). The higher education institutions may be able to achieve this task effectively only when these institutions show their utmost performance to maintain and sustain their strong position in a competitive environment (Stephens et al., 2008). For this purpose, the higher education institutions need to address certain issues on priorities among which academic, economic, and political dimensions are critical. Since academic excellence is the remarkable phenomenon for the institutions, therefore, they might not be able to attract the new intake without the academic standards as well as may be unable to maintain their standing and ranking in a contemporary competitive environment (Lukman, Krajnc & Glavic, 2010). Similarly, without economic backing, the institutions might not be able to peruse their institutional affairs more effectually. Equally, with political interference, the higher institutions might not be able to pursue their institutional decisions fairly, clearly, and effectively.

The academic and economic aspects are significant for the higher institutions to defend their credibility and to sustain their development. The results of the present study and findings from previous studies revealed that both academic excellence and economic support are vital for the best performances of higher education institutions (Rowley & Sherman, 2003; Whitechurch & Gordon, 2010). Conversely, the results of the study revealed that political influence harms the institutional performance duly supported by the existing studies. Political influence affects the institutional affairs and working format on one side, whereas, it influences the institutional decision-making on the other (Rashid & Mukhtar, 2012). Institutional management has the influence and power to set institutional policies, goals, and inclusive strategies to overwhelm the leading impediments around the higher education institution in order to meet the institutional demands by utilizing the resources and means towards higher performances of institutions (Adams, 2013; Devonish & Greenidge, 2010). Through effective policies and efficient approaches, higher education institutions can grip the situations concerning the environmental, academic, economic, social, political, and other inter-linking issues related to the entire higher education system.

Conclusion

The current study examined the role of certain influential factors in determining institutional performance in a higher educational context. The results of the study revealed that academic and economic influences have a significant and positive association and impact on the institutional performance while the political influence has a significant but negative impact on the performances of the higher institutions. Therefore, it is concluded that academic values and excellence are vital for academic institutions to enhance their performance and also in attracting the stakeholders from diverse spheres. Similarly, it is concluded that economic support is vital for the higher institutions as without the financial backing and funding, the institutions might not be able to continue their institutional affairs more effectively. The institutions need economic support to improve their

advancement related to adaptation of advanced technologies and other necessary endeavors to sustain the institutional credibility. Likewise, concerning the political influence, it is concluded that higher education institutions need to adopt strict policies about the political as well as governmental intervention by discarding the possible demands that would in turn, improve the capabilities of the institutions in achieving their desired performance level leading to the desired status and ranking of the institutions.

Recommendations

- ✓ Academic excellence is vital for higher institutions in attaining their desired ranking. Therefore, the institutions are required to put their efforts more on quality improvements which is possible only through improved performances.
- ✓ The economic influence is vital for the institutions to meet their operational and administrative affairs related to the adaptation of advanced technologies. Therefore, institutions are required to focus more on generating revenues.
- ✓ The political influence has undesirable influences on academic performance and success; therefore, the institutions are required to throw away the unfair demands and involvement from the outside of the institutions.
- ✓ The institutions are required to focus their attention on those measures which are vital in improving the performance of the institutions as the institutional better performance guarantees the reputable position on the institutions.
- ✓ The future researchers are required to examine the same variables in other contexts to examine the impact of these factors in determining the institutional performance so that it may help in determining the commonalities and differences.

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