



EMPLOYEE PERFORMANCE AND INSTITUTIONAL PERFORMANCE: AN EMPIRICAL ANALYSIS WITH REFERENCE TO HIGHER EDUCATION INSTITUTION IN INDIA

Rajesh Jain

PhD Scholar, Rabindra Nath Tagore University, Bhopal

Dr. Pooja Chaturvedi, Associate Professor

Faculty of Management, Rabindranath Tagore University, Bhopal

Dr. Ravindra Pathak

Professor and Dean, Faculty of Commerce,
Rabindranath Tagore University, Bhopal

ABSTRACT

Improving higher education institutions' (HEIs') quality is an urgent issue. Among HEIs, quality is a crucial conversation point that is essential in this age of competition. Every institution's efficacy depends on its capacity to draw in and keep stakeholders while gaining recognition and developing a trustworthy reputation. Based on employee perceptions and using exploratory factor analysis, the current study has determined seven important factors: teaching skills, student support system, infrastructure and resources, extracurricular activities, seminar, and industrial visits, digitization of academic awards, and campus placement. These elements provide insightful information to administrators and planners of education, enabling the creation of a more efficient system that can greatly increase the total productivity of academic pursuits in higher education. As such, the study emphasizes the significance of the government's attempts to increase employee performance through the National Academic Depository (NAD) and promotes focused efforts to develop methods and policies that, in the opinion of institutional performance, will draw in top-notch higher education institutions in India.

INTRODUCTION

The political system, management, and educated populace are more important to the nation's development than its natural resources. The key to influencing the future of a country is education. A key factor in the growth and prosperity of the nation is higher education. It is not just the tools that make use of people's capacity and desire for economic and technological advancement; it also catalyzes the advancement of the nation. Higher education is a complex endeavor for which each quality criterion needs to be given equal weight. Maheshwari (2018). India's private education sector is quickly expanding these days, and private companies are investing enormous sums of money in education both directly and indirectly in the hopes of making large profits. Additionally, teaching and learning activities are a fundamental component of educational institutions. Graduate, postgraduate, doctorate, and professional degree programs are all included in higher education. Many people have contributed to the advancement and expansion of education. As a result, the

performance measurements have been linked to other characteristics. In actuality, the measuring system serves as the yardstick that evaluates our efforts and indicates the kinds of corrections that are necessary. The variable generated by this measurement system details our actions and efforts that have a direct bearing on the educational system. A constant, sharp feedback measurement might be the ideal kind of measurement (Storrs, 2010).

In educational institutions, the caliber of instruction is crucial. For pupils, receiving a top-notch education is crucial since it can develop the kind of brain that will be needed to conquer the world. Furthermore, knowledge, skills, and experience are the essential components that allow us to sustain the speed of our economic progress, particularly in the face of technological upheavals like the Industrial Revolution, when the demands for knowledge and expertise are always shifting. Academic indicators, which are linked to faculty and student activities, publications, research projects, teaching workloads, financial

assistance, and student activities, are prioritized in higher education over financial performance. The most crucial area that needs more focus in this assessment process is stakeholders, or the expectations of teachers and staff as well as the degree of student satisfaction. (Ruben, 1999).

It is apparent to all parties involved that the most crucial result is an efficient and transparent use of finances. All stakeholders may benefit from learning and performance metrics by receiving meaningful information that they can utilize to inform future decisions, such as the institution's selection. Enhancing the quality of education at an institution by measuring its operational and system performance and encouraging the improvement of its deficiencies is made possible through a highly significant measurement procedure.

Higher education institutions are always looking for ways to improve the quality of education in response to stakeholders' growing concerns about poor or inconsistent quality (Lawrence & McCullough, 2001). To become more competitive, several organizations and academic institutions have adopted some form of total quality management (TQM) system after admiring industrial practices (Hubbard, 1994). (Vazzana, Winter & Winter, 1997).

Changing Nature in Education Sector

Higher education institutions are the hubs for developing human resources in today's knowledge-based economy, and they are essential to the country's economic development (King, R., 1995). The purpose of this study is to evaluate the effectiveness of postsecondary educational institutions in the Madhya Pradesh region. In the modern day, the education sector is losing its academic efficacy due to deficiencies in instructional techniques, resources and infrastructure, campus placement, extracurricular activities, digitization, and other incidental items like cafeteria and dorm facilities. To help these academic institutions improve their future by adjusting to their surroundings in addition to following academic rules, strategic planning is crucial (Kriemadis, 1997). (Kettunen, 2006).

India boasts the second-greatest number of universities worldwide, with over 634 and roughly 33,023 colleges offering higher education, making it the country with the largest higher education system. In Madhya Pradesh, there are 10 state universities, 12 private universities, one deemed university, 2

central universities, 104 engineering colleges, 190 management colleges/hotel management, 44 pharmacy colleges, 6 central universities, 127 deemed universities, and 195 private universities (Department of Higher Education, 2015).

According to the Government of Madhya Pradesh (2015), there are 10 autonomous colleges, 10 prestigious technical and professional colleges, 16 other prestigious general colleges, 10 medical colleges, and 8 architecture colleges. However, the current system of higher education in India is still beset by issues such as the country's growing population, widening wealth gap, and financial constraints (Hynek, 2023). We are all fully aware of the fact that social stability is just as vital as a nation's competitiveness and economic progress when it comes to higher education. However, we also discover that public higher education receives sufficient money from its competing and important goals. Consequently, there has been a significant change in India towards a greater number of private institutions and colleges that try to address the quality issues in higher education. including the quick development of IT, globalization, heightened competitiveness, and other resource limitations. As a result of these institutes' effective implementation and growing importance in the market for educational services, attention to detail and performance evaluation of postsecondary educational institutions have become crucial. Thus, tracking performance metrics and engaging in strategic planning are crucial for these kinds of institutions.

LITERATURE REVIEW

According to a study by Misra (2002), the management's lack of goals is the reason why the Indian education system is lagging. To improve Indian institutions, we must take a methodical approach that includes regular academic audits, self-determination and responsibility in all operational work, an open-door policy that welcomes ideas and people from all walks of life, administrative restructuring, and faculty, and relevant education for students. The correlations between four types of instructor characteristics—college rating, test scores, degrees and courses, and certification status—are ascertained by Wayne, Andrew, and Youngs (2003). Ruben (2004) emphasized that the learning environment, which includes

amenities, physical space, and other elements, has an impact on students' academic performance in addition to the teaching environment. According to Deshields, Kara, and Kaynak (2005), higher education institutions are focused on determining and meeting the requirements and expectations of their students. These variables include academic achievements of students, faculty performance, classroom atmosphere, institution repute, and educational infrastructure. Butt and Rehman (2010) investigate things like teacher experience, courses given, infrastructure available, and learning environment when it comes to students' satisfaction with higher education. Based on the findings, they came to the conclusion that every feature was important and positively correlated with students' pleasure.

METHODOLOGY

The main data gathered from the management institutions served as the foundation for this research study. Responses from 350 employees in Madhya Pradesh state's private and public institutions make up the research's sample unit. After a thorough review of the literature and discussions with various staff members and students, a pre-tested structured questionnaire was created. The seven-point Likert scale was used to collect responses to a total of 35 statements. Thus, SPSS 25.0 was used to analyze the data that was collected. Bartlett's Test of Sphericity and the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) were used to assess if the data were suitable for explanatory factor analysis.

RESEARCH PROBLEM

The evaluation of the literature has led to the realization that higher education institutions, especially those in Madhya Pradesh, must adopt a performance monitoring system. There aren't many research projects going in this route right now. Thus, the current study aims to gauge higher education institutions' performance based on employee' perceptions.

RESULTS AND DISCUSSION

Tables 1 and 2 discuss the explanatory factor analysis results. The high KMO value of 0.921(0.7) suggests that factor analysis is a valuable tool for the data utilized in this investigation. The KMO value for data is in the excellent range. In a similar vein, Bartlett's Test of Sphericity has a significant result of 0.000, indicating the existence of substantial links

between the claims. The Cronbach Alpha scale value of 0.941 is likewise regarded as good.

Table 1 KMO and Bartlett's Test

| | | | | |
|--|--------------------|----------|-------------------------|-------------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.911 | | |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 7150.101 | Cronbach's Alpha | N of Items |
| | Df | 580 | 0.930 | 31 |
| | Sig. | 0.000 | | |

Table 2 Respondent's characteristics

| Variables | Category | No. of Respondents | Percentages |
|----------------------------------|---------------------|--------------------|-------------|
| Gender | Employee-Male | 201 | 57.3 |
| | Employee-Female | 116 | 42.7 |
| Age in Years | Below 25 | 32 | 13.8 |
| | 25-35 | 180 | 50.3 |
| | 35 above | 130 | 35.9 |
| Employee Engagement with Program | B.Tech | 60 | 17.5 |
| | Management Pharmacy | 102 | 28.2 |
| Type of Institution | Public | 101 | 28.7 |
| | Private | 249 | 71.1 |
| | Total | 350 | 100.0 |

Source: Compiled from Primary Data

Demographic Analysis

Regarding the respondent characteristics, the gender distribution was 42.7% male and 53.3% female. Of the respondents, 53.3% were between the ages of 18 and 20, while 13.8% were under the age of 18. 359,9% were more than 20%. The study's programme included 54.25% MBA programmes, with 28.8% of the data coming from public colleges and 71.2% from private ones.

a. Rotation converged in 30 iterations

Table 4 displays the descriptive analysis of the questionnaire's 35 variables. For the purpose of the data analysis, the variables with loadings of 0.4 were included. Utilising the Principal Component Method, factors were extracted. Factor loadings, communalities, mean, Eigen values, and variance percentage are described in Table 4. Seven factors were found in the factor loadings. Three or more items for each component imply that the factor is labelable. For the purposes of this analysis, factor loadings

Table 3 Rotated factor loadings

| Variables | Factors | | | | | | | | Mean |
|---|---------|-------|-------|-------|-------|-------|-----|-------|------|
| | I | II | III | IV | V | VI | VII | C | |
| Students have link on NAD | 0.855 | | | | | | | 0.76 | 3.31 |
| Students may claim their awards from NAD | 0.876 | | | | | | | 0.801 | 3.37 |
| Digital Certificates are available on NAD | 0.88 | | | | | | | 0.809 | 3.42 |
| Students can take printed copy of digital certificates from NAD | 0.874 | | | | | | | 0.803 | 3.42 |
| Campus placement is very high | | 0.644 | | | | | | 0.605 | 3.08 |
| Students pursuing job-oriented courses get placement earlier than other students | | 0.75 | | | | | | 0.684 | 2.78 |
| pass-out students get easy admissions in higher education courses | | 0.733 | | | | | | 0.679 | 2.7 |
| Career counseling sessions are conducted regularly | | 0.514 | | | | | | 0.619 | 2.68 |
| Students have success rate in competitive exams | | 0.657 | | | | | | 0.62 | 2.76 |
| Groups of students and teachers respectively are used to the advantage of the institute | | 0.438 | | | | | | 0.528 | 2.48 |
| The institution pays attention to extracurricular activities | | | 0.712 | | | | | 0.633 | 2.53 |
| The institute motivates the students to participate in extracurricular activities | | | 0.726 | | | | | 0.713 | 2.49 |
| The institution pays sufficient scholarships / grants for sports competitions to the students | | | 0.648 | | | | | 0.674 | 2.88 |
| The institute emphasizes on developing sports activities | | | 0.614 | | | | | 0.73 | 2.95 |
| Students participate actively in placement activities | | | 0.523 | | | | | 0.625 | 2.7 |
| The institute provides a platform for overall personality development | | | 0.551 | | | | | 0.719 | 2.75 |
| Students are informed regularly about the new arrival in the library | | | | 0.449 | | | | 0.516 | 3.01 |
| All the essential materials is available in the labs | | | | 0.533 | | | | 0.502 | 2.88 |
| The number of students and equipment ratio in labs is quite satisfactory | | | | 0.626 | | | | 0.662 | 2.72 |
| All the lecture halls are fully equipped by the latest technology | | | | 0.62 | | | | 0.654 | 2.86 |
| All study rooms are well-maintained | | | | 0.522 | | | | 0.639 | 2.79 |
| Good environment for study | | | | 0.533 | | | | 0.596 | 2.27 |
| Students' complaints are well handled by the grievance committee | | | | 0.615 | | | | 0.65 | 2.68 |
| Parking space is enough in the institution | | | | 0.447 | | | | 0.581 | 2.58 |
| Guest lectures are arranged frequently | | | | | 0.748 | | | 0.688 | 2.61 |
| Encourage students to take part in the seminars and conferences | | | | | 0.625 | | | 0.579 | 2.59 |
| Educational or industrial visits are organized regularly | | | | | 0.577 | | | 0.579 | 3.1 |
| The Institute pays considerable attention to students's overall development | | | | | 0.506 | | | 0.628 | 2.58 |
| Teachers take a keen interest in their teaching | | | | | | 0.807 | | 0.712 | 2.01 |
| Teachers are able to inspire the students for study | | | | | | 0.733 | | 0.617 | 2.02 |
| Teachers has strong conceptual knowledge of subject | | | | | | 0.785 | | 0.697 | 2.1 |

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

equal to or greater than 0.4 have been deemed significant.

Factor 1: Digitization of Academic Awards

The Indian government's Ministry of Human Resources Development (MHRD) and

University Grants Commission (UGC) have taken the initiative to digitize academic awards to facilitate academic improvements via the use of technology and offer organized services to all stakeholders. Digitization is affecting how people live. The National Academic Depository

(NAD) is a digital repository of academic awards (degrees, diplomas, certificates, mark sheets, etc.) submitted by academic organizations and boards. It is an official mechanism for awarding online certifications to duly identifiable and registered students. Table 4 reveals that this component is vital and accounts for the largest percentage of variance, which is equivalent to 11.522.

The Eigenvalue of more than 1 further emphasizes the significance of this element for the students, which stakeholders. This element is made up of four satisfaction-related variables for the student. The range of factor loading is 0.855–0.880. Stakeholders have rated this factor the lowest overall. Regarding the variables about the availability of certificates on NAD (3.42), students gave the response "Neutral." They were also able to obtain printed copies of the digital certificates from NAD (3.42). The answers to the other assertions, such as "Students may claim their rewards from NAD (3.37) and "Students have link on NAD (3.31)," are likewise more inclined towards "Neutral."

For students, the digitalization of academic awards is the most crucial component. It's in the establishment phase right now. As a result, not every one of India has access to this feature. As of February 5, 2019, 484 academic institutions were registered with NDML Database Management Limited. All students can access all their academic records on their NAD logins by NAD requirements. The government's action would thereby benefit all parties involved, including students, academic institutions, and users of verifiers.

Factor 2: Campus placement

The second significant component, placement, ranges from 0.438 to 0.750 and explains 11.19 percent of the variance. The variables about this element are focused on the student's ability to secure work. The average scores for the factors show that students agree with the statement that campus replacement is important in some way (3.08). Nonetheless, career-focused courses for prior placements (2.78), simple future admission (2.70), good rate in competitive exams (2.76) and students and faculty using the advantage of the institute (2.48) are lying between partial agree to agree.

Third Factor: Extracurricular Involvement

Extracurricular activities, the third component, accounted for 10.83% of the variance. The

loaded items span from 0.551 to 0.726. Remarks on variables pertaining to platform for personality development (2.75), more grants/scholarships in sports (2.88), emphasis on developing sports activities (2.95), encouragement for students to participate (2.49), and attention to activities (2.53) are more likely to be "Agree."

Factor 4: Resources and Infrastructure

Infrastructure and Resources, the fourth factor, accounts for 10.151% of the variance, with factor loadings ranging from 0.447 to 0.626. The average score for the items indicates that students agree with the following statements: the lecture hall is outfitted with the newest technology (2.86), the library is updated (3.01), and there is a sufficient supply of necessary material in the lab (2.88). Good study conditions (2.27), how concerns from students were handled (2.68), and parking spaces (2.58) are probably partially agreed upon.

Factor 5: Industry Visits and Seminars

Another factor, with 8.489% of variance ranging from 0.506 to 0.748, is Seminar and Industrial Visits. According to the item's mean score analysis, students agreed with the statement regarding regular industry visits (3.10), and they partially agreed or agreed with the statement addressing the importance of paying attention to students' entire development (2.58).

Factor 6: Capabilities for Instruction

The sixth component, called "Teaching Skills," has items loaded between 0.672 and 0.807 and accounts for 6.926% of the variance. The partial agreement of students' responses was shown by the mean scores of 2.01, 2.02, and 2.10 for the teacher's motivation in teaching, the faculty's passionate behaviour, and their good conceptual knowledge, respectively. Students' responses ranged from partial agreement to agreement for appropriate monitoring and evaluation, as indicated by the mean score of 2.51. Because most lecturers at most schools are either former students or alumni and there is very little to no intellectual exchange, the level of faculty and instruction at most colleges is shockingly low. Furthermore, faculty members were not assigned lectures based on their areas of expertise.

Student Support System is Factor 7.

This component, which accounts for 6.074% of the variance with the item loaded from 0.515 to 0.574, is determined to be the least significant

factor. Additionally, it is observed that students had positive opinions of having enough play and sports equipment (3.08), recreational facilities (3.05), and clean restrooms and freshwater (2.72).

CONCLUSIONS

Strategic planning is used to address all kinds of management shortcomings. As a result, the current study has shed light on the strategic problems that, if implemented, will improve performance assessment outcomes. Additionally, the results demonstrated that all variables had positive loadings on the factors and that the statements inside the factors had strong internal consistency. As a result, the administration needs to consider all seven aspects when making decisions about attracting and keeping students in the future.

Furthermore, the higher education sector places a heavy emphasis on academic performance due to new economic constraints and rising worldwide trends. This includes management, quality assurance of all parameters, and the allocation of scarce resources. Institutions need to prioritize their tactics if they want to win over the cutthroat marketplaces. To achieve complete quality through continuous performance improvement, management institutes must adopt new systems and techniques to evaluate performance and comprehend strategy.

These new systems and techniques must give balanced information from all potential contributing areas. The development of effective performance measurement techniques by upper management is crucial in determining the overall performance of the organization and connecting it to corporate goals. In other words, a comprehensive model for evaluating university and institutional performance is essential to the survival of higher education institutions.

In addition, government attention should be focused on the NAD student enrollment procedure. For all students to be aware of the digitization of academic awards. Furthermore, developing faculty capability stands out as another crucial topic in the context of education. Several tiers would need to properly develop this element. As a result, policies and tactics for luring and keeping top talent as well as for offering these educators continued professional development must receive adequate attention.

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