

Organizational performance of higher educational institutions in pakistan managem...



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In today's competitive world organizational performance has become extremely important for sustainability. Globalization has brought in extensive competition between organizations, coupled with budgetary constraints and rising cost of operations. The greater realization of public towards organizational performance has added new dimension to this environment. Budgetary constraints are more pronounced in public sector organizations where the resource generation is limited and heavy reliance is on the government to provide for the costs. Coupled with these constraints, there is enhanced focus on organizational governance.

These dimensions have led to increased public accountability across the world. In the past, business organizations were the ones focusing on the performance and effectiveness. Not-for profit organizations especially public sector organizations were excluded from it as it was thought that the governments are responsible for maintaining and providing the services to general public through such organizations.

In recent years, the concept of new public management has become the cornerstone of government policies and public sector institutions are expected to pursue good governance, transparency, accountability and self sustainability through efficient and effective performance. In developing countries like Pakistan, with resource constraints, the need for good performance in educational institutions has become extremely critical for their sustainability.

Another important development that has been witnessed by higher education in Pakistan is the mushrooming of private sector higher

educational institutes. These institutes have brought in their financial resources generated through private donations or through industry linkages. These institutes are in a position to attract qualified and skilled human resources and employ them to achieve competitive advantage, which unfortunately the public sector institutes have been unable to do so to date. These private sector institutes have also brought with them the performance oriented culture which again unfortunately is missing in the public sector institutes.

It is clear that the higher education environment has changed considerably over the last couple of decades and with more business like attitude prevailing in the sector; a new style of leadership is in demand. The competencies that were once characteristics of the business world are now becoming important prerequisites for educational leaders as well (Boyett, 1997).

In Pakistan the overall regulatory body for higher education is the Higher Education Commission (HEC) established in 2002. The establishment of commission came due to the decades of underinvestment in the field and also the realization that higher education is needed to fuel the economic growth in the competitive globalized world. The overall task of the commission is to ensure quality, and improve higher education and research in the country. Keeping to its mandate commission has taken various revolutionary steps of ensuring that the higher educational institutes in Pakistan adhere to the quality and show performance within the budgetary provisions. The strategic aims of the commission are supported by well-integrated cross-cutting themes for developing Leadership, Governance and <https://assignbuster.com/organizational-performance-of-higher-educational-institutions-in-pakistan-management-essay/>

Management, enhancing Quality Assessment and Accreditation and Physical and Technological Infrastructure Development.

(www.hec.gov.pk/abouthec/pages/welcome.aspx retrieved on 18th November, 2009).

CONTEXTUAL ANALYSIS

For the past fifteen years there has been mushroom growth of universities both in the public and private sectors in Pakistan. At present there are 132 universities operating in Pakistan with sub-campuses at various cities. In Rawalpindi and Islamabad alone there are twenty one (21) universities. Out of these 21, seventeen (17) belong to public sector and five (5) belong to private sector. This figure does not include the campuses of various private sector universities chartered by provincial assemblies. (<http://www.hec.gov.pk/ourinstitutes/pages/default.aspx> retrieved on 20th January, 2010).

For the present study four universities were selected. Out of these four, two belonged to public sector namely Fatima Jinnah Women University Rawalpindi and International Islamic University Islamabad and the two private sector universities included SZABIST- Iqra University (Islamabad campuses). The selection of these four universities was done on the basis of convenience and the researchers were associated with these universities in one capacity or the other.

SIGNIFICANCE OF THE STUDY

The high growth of universities in Pakistan has compelled the public sector universities to change their strategies in accordance with the framework <https://assignbuster.com/organizational-performance-of-higher-educational-institutions-in-pakistan-management-essay/>

given by the Higher Education Commission. The focus of these universities is to compete for the finances as well as the human resources and be able to provide graduates that are abreast of changes worldwide and be competitive at the national and international levels. Given the scenario it becomes imperative for both public as well as private sector higher educational institutes to have leadership that adapts to the changing educational environment and needs and sets vision that help increase the effectiveness and performance of these organizations.

The focus of this study is to investigate the effectiveness of Higher Education Institutions in Pakistan and empirically test their performance. The present research is important from Pakistani perspective as Higher Education Commission is now emphasizing on quality and has launched a Quality Assurance program for all the universities. In this regard the research will focus on the impact of culture that exists in our universities and its relation with the organizational effectiveness.

The outcome of the study will facilitate the higher education institutions to identify their weaknesses and initiate appropriate response strategies to achieve competitiveness.

OBJECTIVES OF STUDY

To analyze the leadership style as practiced by higher educational institutes.

To evaluate the impact of leadership style on organizational performance.

DELIMITATIONS OF THE STUDY

Following are the delimitations of the present study.

To check the organizational effectiveness only four dimensions have been focused upon. These dimensions pertain to goal setting, cohesion within the organization, productivity of the organization and communication. There are many variables that have been cited in the literature, but only the above four dimensions have been selected. The main reason being that effectiveness is the perception of the employees and these four dimensions check the perceptions.

The present study focuses upon education sector only and that to higher education institutes. Four institutes were selected for the study; therefore, we can not generalize the results.

There are various factors that affect the impact of leadership style on organizational effectiveness. In the present study only the leadership style has been taken and all other moderating variables have been excluded. If those moderating variables are included the results could be different.

For effectiveness only employees have been selected. If we include various level leaders the results could be different as they are the ones involved in strategic planning of any organization.

LITERATURE REVIEW

There have been numerous studies on the influence leadership has on Organizational performance. Yet the exact role of how leadership influences organizational performance is till in debate as the proceeding paragraphs will

illustrate. Before proceeding further it is imperative to define what really leadership means.

According to Robbins (2005, p. 332) leadership is the ability to influence a group towards the achievement of goals. However, Kotter (1990) argues that leadership is about change and this is done through setting the direction of that change, which is the essential ingredient of leadership. Gibson (2005) highlights that effective leadership is essential in attaining organizational objectives and to be effective leaders' subordinates should not hold discrepant views about them.

In a study conducted by Richard E. Boyatzis and Franco Ratti (2009) on executives and managers of Italian cooperatives and multinational company used competencies namely emotional intelligence; social intelligence and cognitive intelligence competencies for effectiveness. The study found that effective executives had more initiative while effective managers were more planning oriented in the emotional intelligence competencies. Similarly, effective executives scored higher in networking, self-confidence, persuasiveness and oral communication while effective managers relied more heavily on empathy and group management. In the cognitive intelligence sphere executives showed more systems thinking and pattern recognition approach while middle managers use more conceptual approach.

The study of Boyatzis and Ratti (2009) has used the competencies to judge the effectiveness of the leaders both at the top level and at the middle levels. Their study is confined only to a small sample thus the results can not be generalized. Secondly, the sample consists of middle management and

top management it would be interesting to study the supervisory levels as the lower management also provides leadership to subordinates. The sample can be increased to include various industries for generalization purposes.

In their conceptual study Goran Svensson and Greg Wood (2005) highlights that the effectiveness of leadership in organizational performance varies with time and also with context. Organizational performance is the outcome of conscious leadership. The authors have developed a model that is based on three components of leadership effectiveness that is timely; contextual and serendipitous versus skilful leadership effectiveness. The study is conceptual in nature and thus is limited. The model proposed needs to be tested across contexts to validate the propositions put forward by the authors.

Victor J. Garc a-Morales, Fernando Mat as-Reche and Nuria Hurtado-Torres (2008) studied the impact of transformational leadership on organizational innovation and performance. The study was conducted on pharmaceutical companies and for this purpose a sample of 164 firms was selected. The results of the study indicate that there is a positive relationship between transformational leadership and organizational performance. The results also highlight that transformational leadership is necessary for innovation which is required for technologically advanced firms. The study is limited in scope as the respondents were the CEOs of the firms. Therefore, the results can not be generalized. Secondly, the sample can be expanded to include other sectors and not just the technological firms.

Regarding organizational commitment which is considered as a mediator of the relationships of leadership behavior with job satisfaction and performance in non-western country, Darwish A. Yousef in 2000 carried out an exploratory study that comprised of 30 randomly selected major organizations in four major districts of UAE. Leadership behavior, organizational commitment, and job performance were measured using different scales (i. e; Organizational commitment questionnaire, leadership questionnaire) and it was find out that level of performance, commitment and satisfaction of those are high who perceive their superiors as participative, adopting or consultative leaders.

Steven H. Appelbaum, Danielle Hebert and Sylvie Leroux (1999) conferred the research study on empowerment and examined the dimensions of power, organizational characteristics for empowerment (vision, teamwork, discipline and control, support and security), psychological dimensions (choice, competence, meaningfulness, progress and trust), and organizational culture and structural factors (role ambiguity, span of control, sociopolitical support, access to information and resources, participative and non-participative climates). They concluded that a complex and multifaceted continuous process is encompassed by empowerment and organizational culture in this process plays an important role via organizational mission, vision and objectives. As far as leadership role in facilitating empowerment is concerned, participative or consultative leadership style was considered favorable as when employees are participated and consulted in organizational development processes by the leaders they are intrinsically and extrinsically motivated.

Competencies for effective leadership in higher education had been explored by Marion Spendlove recently in 2007 to find out the role of educational leaders (Pro-Vice Chancellors or Principals of universities and the competencies needed for the effective leadership in higher education. For this purpose, ten UK university Pro Vice chancellors were interviewed. The results indicate that for effective leadership competencies like credibility, experience, people skills were more important. It was also indicated by the results that these organizations did not had any organizational strategy for developing leadership skills. The study is limited in scope as the sample size is only ten and secondly the study is qualitative in nature and based on interviews so biases can be there. To generalize the results of the study it is important to increase the sample size.

Alma Harris (2008) studied the distributed leadership to highlight the positive relationship between distributed leadership and organizational outcomes so different patterns of distributed leadership affect the organizational outcomes. In addition, it was also found that certain configurations of leadership offer greater potential for organizational change and development. The study also showed that artificial barriers to organizational learning can be eroded by distributed leadership implications. This study can be criticized for not being tested empirically and hence the importance and contribution of the study would be doubled.

Trudy C. DiLiello and Jeffery D. Houghton (2006) carried out a study on maximizing organizational leadership capacity for the future for the development and presentation of conceptual model of self-leadership, innovation, creativity and organizational support. The model also suggested <https://assignbuster.com/organizational-performance-of-higher-educational-institutions-in-pakistan-management-essay/>

that individuals with strong self-leadership will consider themselves to have more innovation and creativity potential than those with weak self-leadership. Additionally the former ones will be more likely to practice innovation and creativity when they perceive strong support from the workplace than the individuals who perceive weak support from the workplace. The carried out study had been found conceptual without any empirical testing.

Zhang (1994) studied the leadership attributes of educational institutes in Singapore. The study was based on interviews of 200 heads of departments of schools. The results indicate that effective principals are the ones having characteristics and attributes of responsible, adaptable, authoritative, competitive, considerate, stubborn, and reality centered. Zhang's study is important in highlighting the attributes of effective principals who are the leaders of their organizations but lacks empirical evidence. The study is based on interviews and thus the results can be biased. Therefore, the results can not be generalized for the education sector as such.

In a theoretical study of cultural leadership Trice and Beyer (1991) concluded that innovative leadership arises in times of perceived crisis where as maintenance leadership is from stable times. They identified nine cultural leadership elements from the literature namely personal qualities, perceived situation, vision and mission, follower attribution, leader behavior, performance, administrative action, use of cultural forms and use of tradition. The study concludes that cultural leadership can be more effective if leaders use and emphasize cultural forms to find solutions of problems.

The study is important from cultural leadership perspective and for smaller <https://assignbuster.com/organizational-performance-of-higher-educational-institutions-in-pakistan-management-essay/>

organizations where leaders are easily accessible to employees. The results can be empirically tested for both smaller and larger organizations.

Don Adams & David T. Gamage (2008) studied the leadership effectiveness in large Vocational Education and Training (VET) institutions in Australia. Teachers and head teachers were selected for this study and it was found through results that significant differences were there between the self perceived leadership effectiveness of the teachers and the head teachers. Moreover, results showed that the gender, duration of services as the head teachers, services length at a post, and educational discipline area did not affect head teacher's leadership effectiveness considerably. However, factors of workload, lack of support and training, and the gap between the head teachers and the top-management affects head teacher leadership momentarily. Leadership for vision, change, self-confidence, ethics, team philosophies, motivation of others, coaching, people management, interpersonal skills, information management, technical currency and organizational knowledge, quality learning environments, decision-making and problem solving and business were the task areas of leadership which were analyzed in the study. Additionally, the results implied that head teachers were more effective in team philosophies, self confidence and self awareness, coaching and mentoring, vision and motivating others and t they were less effective in business, technical currency, organizational knowledge, quality learning environments and interpersonal skills. On the other hand, the teachers were found more effective in technical currency and organizational knowledge, decision making and problem solving, business and coaching and were found less effective in change, self

confidence, motivating others and team philosophies. The suggested leadership attributes emerged in the study were of the transformational leadership and are required to be complemented by the effective leadership in business.

In the organizational culture and transformational leadership as predictors of business unit performance study, Athena Xenikou & Maria Simosi (2006) examined the relationship between transformational leadership and organizational cultural orientations and the joint effect of transformational leadership and organizational culture on the business unit performance. Two cultural orientations were focused in the study which were humanistic orientation (includes human relations movement at workplace) and achievement orientation (includes assumptions, values and practices on task organization, goal setting, organizational objectives, experimentations and emphasis put on being effective) and were termed as the predictors of the organizational effectiveness. Employees of a large Greece financial organization were the respondents and the results showed that the achievement and adaptive cultural orientations had a positive direct impact on the business performance and transformational leadership and humanistic orientation had an indirect positive impact on the performance through achievement. The study is limited for partial establishment of the relation between criteria and predictors.

Dorthe Dojbak Haakonsson, Richard M. Burton, Borge Obel, and Jorgen Lauridsen (2008) studied that how failure to align organizational climate and leadership style affects performance. Misalignments between the organizational climates were measured as information-processing demand <https://assignbuster.com/organizational-performance-of-higher-educational-institutions-in-pakistan-management-essay/>

and the leadership style was measured as the information processing capability. The results showed that both the variables are problematic for organizational performance as responded by the leaders of different organizations. Organizational climates included the internal process climate (disappointment, tranquil, quiet, shameful, and fatigued), rational goal climate (gloomy, distressed, anxious and angry), group climate (calm, comforted and relaxed) and developmental climate (enthusiastic, excited, happy and pleased). Leaders were categorized as managers, producers, maestro and leader. The results also showed that including leadership as information processing patterns, climate and leadership styles should be aligned for the leadership style to provide considerable support for the climate so that the organization can execute sound. The study was limited for using the data being gathered from the small and medium sized organizations and over the time, these cross sectional data cannot study the effects of misalignments.

In 2003, Karen Boehnke, Nick Bontis, Joseph J. DiStefano and Andrea C. DiStefano carried out a research about transformational leadership for the examination of cross-national differences and similarities. This empirical study resulted in the concepts that manager's leadership abilities plays an important role in the success of the global marketplace and the major finding of the study was that the main dimensions of leadership for extraordinary performances are universal. Different leadership behaviors leading towards different performance levels had been discussed in the study. It was observed that transformational leadership behaviors (visioning, inspiring, stimulating, coaching, and team building) leads towards beyond

expectations performances. Transactional leadership behaviors (rewarding, and coaching) showed that performance level meets the expected level of performance and Laissez-faire leadership behaviors (avoiding) gave below expectation performance results. So, the research had shown that transformational leadership characteristics are associated with the high performance. The results also showed that transformational leadership represented the clear majority of its related behaviors. So, Organizations can produce exceptional performance through the effective transformational leadership. The study was limited for using a small number of executives across the countries as it prevents more distinguished analysis and additionally the primary data collection also limited the study as researchers collected the reports from the executives for management development course in a seminar and it leads to the time consumption process and ambiguous data as well So, it can be improved by conducting the interviews from the executives.

Marguerite Schneider (2002) in the study of stakeholder model of organizational leadership explored the relationship between the radix organizations (have value chain as its relatively fluid foundation) and leadership analyzed on the basis of organization-environment co-evolution framework. The changing organizations from hierarchical bureaucratic forms towards the new forms of radix organizations had been discussed in the study and stakeholders model of organizational leadership had been developed which assisted in the prediction of leader's effectiveness in organizations characterized by fuzzy organizational boundaries, flattened hierarchies, and work related relationships. So it had been discussed that by

creating and defining roles for goal attainment, leaders would continue to commence structures. Moreover, leaders' behaviors within the radix organizations would persuade the connections and interactions as organization stakeholders tend to join the leaders rather than following them. As the study was based on theoretical conceptual model, no empirical data had been collected and analyzed. So, this limited the scope of the study and needs the further empirical testing for increased contribution.

Stephen J. Tvorik and Michael H. McGivern (1997) in their study about determinants of organizational performance evaluated that organizational values and leadership factors exhibit a strong influence on performance of an organization. Additionally this research encourages the performance model of organizational performance determinants which effect performance variance within the strategic management model. From the analysis it can be inferred that a firm is a storehouse of skills and capabilities which reveal the associated resources and leadership styles that progress the organization to create a new vision. The study was based on the theoretical analysis only so it can be limited in its nature for this and empirical testing could enhance the effectiveness of the research.

In the study of role of leaders in organizational learning in mechanisms and instilling values, Micha Popper and Raanan Lipshitz (2000) discussed the organizational learning in structural and cultural features. The structural features included the organizational learning mechanisms which are institutionalized structural and procedural arrangements and which allow the organizations to collect, analyze, store, disseminate and use information systematically related to the organizational performance. The cultural facet <https://assignbuster.com/organizational-performance-of-higher-educational-institutions-in-pakistan-management-essay/>

includes the shared values. So the interview based study results revealed that the leaders in organizational learning context put the organizational learning on the agenda as a central issue, build the structural foundations required to mould the individual learning in the organizational learning to establish the learning mechanisms, and create cultural and psychological conditions for effective learning. The study indicates that leader's style enhances the psychological safety which reduces the defensive routines and increases the learning culture based on the issue orientation, transparency, integrity, inquiry and accountability. Additionally, the leaders can create organizational learning mechanisms as well as learning agendas by devoting their time, paying attention and by rewarding the employees. This would lead to the effective organizational learning and thus it would increase the performance level of the employees as well as organization. So, leaders are active participants in the promotion of organizational learning. These findings indicate a linkage between cultural orientations and impact of leadership on motivation and performance of employees.

Tsang, Denise (2007) in his study of leadership, national culture and performance management in the Chinese software industry explored that success of the industries is associated with the leaders who align the performance management with the core cultural values of the collectivism in addition to the prevailing best practices of performance management.

J. S. Pounder (2002) in his study about Public accountability in Hong Kong higher education discussed that higher organizations had been found under-pressure to explain the value for money performance. The nature of the scales focused in the study highlighted the human resource management <https://assignbuster.com/organizational-performance-of-higher-educational-institutions-in-pakistan-management-essay/>

issues regarding higher education in Hong Kong. Organizational self-assessment had been explained by using the students, course evaluation and standards, resources, new technology, collaboration and past reviews. These criteria could be helpful in providing an effective framework for the organizational effectiveness and represented an implicit and untested view of organizational effectiveness to find out the performance of particular educational institution. The literature review showed that the framework of competing values consisted of four models of organizational effectiveness. The competing value framework was comprised of nine criteria or dimensions of effectiveness (productivity-efficiency, quality, cohesion, adaptability-readiness, information management-communication, growth, planning-goal setting human resources development, and stability-control). The dimensions were measured by using the Behaviorally Anchored Rating Scale (BARS) procedures.

James S. Pounder (2009), in his study about transformational classroom leadership presented a solid basis for the evaluation and enhancement of the classroom leadership. The results of this empirical study conducted by using MLQ and competing value framework showed that the educational values of the transformational classroom leadership. It had been discussed that the transformational leadership is measured relative to three leadership outcomes including ability of the leader to produce extra efforts on the part of those being led by the leader, the perception of subordinates about leadership effectiveness and employee satisfaction with their leaders. The attributes, behaviors, influenced motivation, intellectual stimulation and individual consideration items had been discussed with the employees in

order to measure transformational leadership in classrooms. The results of the study showed the positive relation between transformational leadership and leadership outcomes being discussed in the study. The study was limited for using the sample being restricted to the teachers and staff only and it was taken from the one University of Hong Kong.

Chun and Rainey (2005) studied the goal ambiguity and its relation to organizational performance in forty nine federal agencies. To study the organizational performance, perceived organizational effectiveness were measured. The variables used by them are managerial performance, customer service orientation, productivity and work quality. Both individual and organizational level controlling variables were used as the effectiveness was conducted on individual perceptions. Tenure, pay grade, job category and managerial level were individual level controlling variables. Where as organizational level controlling variables used were organizational size, organizational age, institutional location, financial public-ness, policy problem complexity, type of policy responsibility, need for political compromise among competing demand from constituencies. Multiple regression analysis results show that the perceived organizational effectiveness factors were all negatively related to goal ambiguity. The study found that the government organizations with clear goals were high performing organizations. The study clearly indicates that leaders need to be more directed and clear in their vision and mission and that organizations should invest in goal clarification. It also suggests that strategic planning is important from employees' perception so that they have clear indication of what their organization demands from them.

Shefei and Haddad (2001) studied the relationship between culture and performance of firms operating in Bahrain. The firms studied belonged to banking (18) and hotel (23) industry. They used eight cultural dimensions namely planning orientation; innovation; action orientation; people orientation; team orientation; communication; results orientation; confrontation. Performance measures used were profitability; growth rate of sales/revenue; financial strength; employee moral, job satisfaction and commitment; and public image and good will. The results of the study prove that corporate values are positively related to performance. But this relationship is mediated through industry and environment uncertainty and size of the organizations.

The study of Shefei and Haddad though important from Middle Eastern region lacks generalizability factor. The sample taken is small and a comparative study of banking versus hotel industry has been done. The study results can be more effective and generalizability can be made if the sample size is to be increased and also if other sectors or industries are included in the sample.

Jo Rhodes, Richard Hung, Peter Lok, Bella Ya-Hui Lien and Chi-Min Wu (2008) studied the organizational performance in relation to knowledge management. They used both financial and non-financial measures. For the non-financial measures they used perceptions of the employees for acquisition of patents, increasing competitive power, and employees' productivity. The results of the study indicated that the non-financial measures had higher positive coefficient value to innovation than the

financial measures of organizational performance. The study is important for it brings forth the ne