

Andreea Ioana COSTE
„Babe - Bolyai University” of Cluj-Napoca,
Faculty of Economic Sciences and Business Administration
Adriana TIRON-TUDOR
„Babe - Bolyai University” of Cluj-Napoca,
Faculty of Economic Sciences and Business Administration

PERFORMANCE INDICATORS IN ROMANIAN HIGHER EDUCATION

Case studies

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Abstract

The article investigates the main performance indicators took into consideration when the management is measuring the performance of the university. The study is based on interviews with top management and middle management at Romanian public universities. Thus, the paper uses a qualitative research. According to the results, an essential indicator for performance measurement is represented by the number of the students. The public funding gives the motivation of the importance of the indicators. The public funds are allocated based on the number of enrolled students. As a public institution, performance measurement represents a central issue for showing to users how well is performing the organization.

Introduction

Recently, Jan Van Helden (2013) conducted a research in which demonstrates that the most debated topic from 'Accounting management' category is management reform in the public sector. Also, in the paper is shown that there are many researches on performance measurement.

A real challenge for public managers represents the implementation of the private sector techniques into the public sector organizations, and also the measurement of performance. In order to provide performant services to users, the attention falls on performance measurement. Usually, public managers are used with financial indicators and less familiar with non-financial indicators (Arnaboldi & Azzone, 2010). In the public sector, outputs and outcomes represent essential indicators which are showing how well is performing an organization.

Performance can be measured with the help of the indicators which have to be established in accordance with the primary purpose of the public organization. The necessity of measuring performance led to the setting goals, objectives and achievements (Moynihan, 2008), and for public organizations this was a difficult step and public managers faced a real challenge. In furtherance to obtain comparability between the years to measure the performance or un-performance of the public organization, the utilization of the same indicators is encouraged.

The universities are facing increasing competition among the students given the wide world recognition received in the last period. Students are choosing a university based on their need. First of all, the student is interested in what will be after the studies. The main purpose and need of the student is to find a job based on what it was learned in the faculty. Secondly, the student chose a university based on the reputation gained by the educational institutions in the field. Being a performant university means high-quality teaching process, a high level of research, and well-prepared professors. In addition, universities have to offer an appropriate response to the new challenges to face the changes of the environment. Thus, the qualities of the services they provide have to adapt to the current circumstances.

Public universities have to achieve and accomplish the standards imposed specialized bodies or agencies, national or international, which evaluates and accredits the universities. The image and the quality of higher education depend to a greater extent to the context taken as a reference. Romanian Agency for Quality Assurance in Higher Education (Agenția Română de Asigurare a Calității Învățământului Superior) realized a transposes of the multi-contextual horizon where are mentioned assessed contexts when we are talking about the quality or the performance of

higher education. The horizontal line represents the period or time changes that Romanian higher education passed after the end of the communist period. Also, the horizontal line represents the transition from the external to the internal context. On the vertical line are found five of the most important users (employers, students, academia, other groups such as the Government, and the international bodies for higher education) interested in the quality of higher education, and in this context we can formulate two types of assessments: the national context a European context.

Romanian public universities were chosen because the researches are at the beginning in this field. This paper wants to fulfill the gap found in the literature and is providing evidence from top management and middle management regarding the indicators used when performance is measured.

The paper is structured four parts. In the first section are the introduction to the topic of performance in the public sector and public universities. The second section provides a literature review, followed by the methodology. The fourth part presents the results obtained, and we conclude and discuss the results.

Literature review

Many researchers are interested in measuring performance in public organizations. Performance measurement researches analyze different public organizations, such as local government (Moynihan, 2006; Wichowsky & Moynihan, 2008), health care organizations (Moullin, 2002; Yuen Artie, 2012), universities (Lawrence & Sharma, 2002; Taylor & Baines, 2012; Sordo *et al.*, 2012), and the police (Collier, 2006).

The indicators of performance must be defined for avoiding misunderstandings among different types of stakeholders (Bourne & Wilcox 1998). Also, the indicators in higher education, as in other public organization, can be divided into internal performance indicators, external and operating performance indicators (Higgins, 1989). The information obtained by measuring performance helps managers to improve what is not working and in making decision process. Also, using specific indicators when performance is measured, gives the stakeholders the possibility to assess the organization.

Measuring performance in the public sector, and particularly in higher education, implies the use of the indicators. The aim of the indicators facilitates stakeholders to assess the performance of public organizations, and managers use performance information in making decision process. Nowadays, performance indicators for higher education increased significantly the last decade. Through performance measurement, public organizations can evaluate, control, motivate,

promote, celebrate, learn and improve the activity and the results (Behn, 2003).

The application of performance indicators in higher education represents an essential step, and many countries adopted the indicators (Guthrie and Neumann, 2007). The universities have to accomplish three missions: teaching and learning, research and administration (Harley *et al.*, 2004). As Jackson (2011) stated, before measuring performance is better to define what we understand through this concept because, at different levels, performance is seen in different ways.

Methodology

In order to find which are the indicators used in public universities when performance is measured, we established interviews with top management and middle management. The interviews were carried out in the autumn 2014. In total, we reached to obtain 16 interviews. The interviewees are characterized as having an economic background. The main interest was in finding how top management and middle management measure performance, thus, which are the indicators used for measurement. Therefore, the analysis implies a qualitative research. The interviewees had to string the most important indicators used for performance measurement.

Results

The most important indicator found through the interviews is the number of enrolled students. Auranen & Nieminen (2010) conducted a study where they showed that the number of students in Norway, Finland, and the Netherland plays a big role in funding. Also, in Australia higher education, Guthrie and Neumann (2007) carry out a research and found that student fee represent an essential source of funding. Public funding depends on the number of enrolled students. Public universities receive a part of the budget from the Ministry of Education. Nowadays, universities are seen as the institution where only the best students can attend and which help them to be prepared at a high level in order to become an elite. Furthermore, each university desires to have significant results regarding the students, and also to have many researches, which will lead to performance.

The insertion of students on the labor market represents an essential performance indicator. The primary objective of a university is to put into practice a teaching provision which can meet the students' need. However, the university has no power in finding a job for their graduates (Jongloed & Vossensteyn, 2001). In this way, universities contribute and help students in the development of knowledge, not only regarding the research, but also applying the knowledge. In this way, students can obtain a job related to what they have studied.

The number of publications represents another important aspect. The impact of research activity increased substantially in the last decade. Also, funding is closely related to the research activity. Designers of ranking tables use research and academic reputation as important performance indicators (Lukman *et al.*, 2010).

Another indicator of central impact on the performance of public universities is the relation and collaboration with the external environment. The partnerships with business companies help students to see what a job means. First of all, students have the opportunity to put into practice the knowledge by doing an internship at the company. Secondly, after graduation, the companies are offering jobs for those students who obtained a high qualification. Public funding depends on the number of public projects with business companies and grants established with other partners (Auranen & Nieminen, 2010). In this section, the partnerships with other universities were included. For example, the international program, ERASMUS (European Region Action Scheme for the Mobility of University Students) is essential for each university. Also, other exchanges programs are necessary for the universities. In this way, the prestige of the educational organisations is promoted, and the possibility of foreign students' attraction is higher than before.

Conclusions

Performance measurement is a multidimensional concept. It measures the way in which an organization is performing. When measuring the performance, financial and non-financial indicators have to be used, and even if in the public sector is hard to measure than in private sector, those indicators are crucial for assessing the performance. Also, public entities must provide relevant information to users in order to help them in making decision process and making a comparison with the other entities. An advantage of using performance measures is that helps the entity and managers to improve future results. The essential element of having an effective overall of performance measures is to use comparability. The indicators used for performance measurement are not necessary to be many, but they have to be selected very carefully. For the each year, the recommendation is to use the same indicators. Also, the indicators have to be consistent and which disclose a clear vision of the entities' performance.

Public universities are even more credible and trustfully when offer appropriate information for the users. Relevant information needs to be disclosed for meeting the users' requirements. Also, information is needed for making decision process. Showing the way in which universities have value for money increase the confidence of

the users, and at the same time they are proving accountability.

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