

Interdependencies of Innovation, Autonomy, and Performance Measurement in the Structure of Universities¹

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Research Paper

INTRODUCTION

Enhancing the productivity, efficiency, and effectiveness of universities, as well as identifying and managing the factors influencing them, stands as one of the most significant challenges in higher education in the 21st century. The globalization of education, the proliferation of higher education institutions, the increase in student populations and academic disciplines, financial resource constraints, and technological advancements underscore the necessity of evaluating the efficiency and effectiveness of universities. With the approval of the law restructuring the Ministry of Science, Research, and Technology, and the Fifth Economic, Social, and Cultural Development Plan, fundamental changes have been implemented in the management system of Iranian

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universities. The most significant aspect of these changes pertains to the financial system of universities. In the traditional budgeting system of educational institutions, budgets are determined based on various factors such as the number of students, faculty members, and administrative staff, meaning that expenses are allocated according to a quantitative measure without differentiation between various types of expenses for students in different fields of study. Furthermore, the cost of some courses is covered by surplus resources generated from offering other courses, which necessitates improvements in financial resource control and management methods.

Over the past decade, the government has endeavored to address this issue to some extent by implementing performance-based budgeting. This matter is annually included in the budget law, and in 2022, paragraph (v) of the 18th note of the budget law was dedicated to this issue. Moreover, according to the executive regulations of paragraph (j) of the 19th note of the 2021 budget law, universities were allowed to designate executive units, which could be a faculty or one or more academic departments. They could delegate extensive authorities and responsibilities to these units through performance-based agreements and define performance indicators and operational monitoring and performance management methods. In the past, universities such as the University of Tehran succeeded in achieving autonomy and delegation of authority by defining an independent budget line for some of their units, including the Faculty of Engineering and the Farabi Campus, among others. This action can lead to greater concentration by universities on the issues of financial resource efficiency and effectiveness.

Our research aims to delve into the factors influencing the design of optimal educational groups' structure in universities. More precisely, the objective of this research is to investigate the impact of innovation strategy on the outcomes of efficiency and effectiveness in universities, taking into account the role of structural autonomy and performance measurement systems. This study adopts a descriptive-survey approach. The statistical population comprises managers

of academic departments in state universities, and the data collection tool is a questionnaire. The sample was selected based on the availability of individuals in the population, resulting in 54 usable completed questionnaires. A total of 57 questionnaires were distributed and completed in the second half of the year 2022; however, 54 usable questionnaires remained for data analysis, as three questionnaires were deemed unusable. The participants in this study were from various universities, including Amirkabir University of Technology, Isfahan University of Technology, Alzahra University, Allameh Tabataba'i University, Shiraz University, Yazd University, Jundishapur University of Medical Sciences, Babol Noshirvani University of Technology, Qom University, Kurdistan University, and Zanjan University.

Our results indicate that the innovation strategy of services has a significant effect on structural autonomy. Structural autonomy has a significant impact on the use of performance measurement systems. Innovation and the use of performance measurement systems have an indirect relationship through structural autonomy. Emphasizing a strategic focus on innovation in universities has an indirect effect on efficiency and effectiveness through performance measurement systems and structural autonomy. Our findings contribute to the existing literature in the field of factors influencing the improvement of university performance outcomes.

Based on the findings of this research, it is recommended that universities place a stronger emphasis on service innovation and grant greater autonomy to educational groups while fostering environments supportive of autonomy. This can create opportunities for the development of universities and enhance their efficiency and effectiveness. Furthermore, educational groups are advised to strive for long-term objectives and create competitive advantages by offering innovative strategies. To the Ministry of Science, Research, and Technology, it is suggested to emphasize the importance of innovation in universities in their future programs and encourage universities to prioritize innovation in their strategic plans. Moreover, for future studies, addressing the challenges of

autonomy in Iranian universities, exploring other factors influencing university efficiency and effectiveness, and investigating the impact of knowledge management on university performance can contribute to the design of optimal structures within universities

Keywords: Universities' Strategy, Innovation, Structural Autonomy, University Performance Measurement, Efficiency and Effectiveness.

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