Performance-Based Funding: A Panacea for Quality Assurance in Nigerian Higher Education

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Abstract

The sad reality of the quality of graduates from Nigerian higher institutions has fallen short of employers' expectations. This has led to the graduates being subjected to examinations before they are taken as graduate trainee. Poor funding has been identified as one of the causes of poor quality graduates of Nigerian higher institution. This among others informed this paper on how performance-based funding approach could serve as a measure of quality assurance in Nigerian higher education system. Literature was reviewed on the concept of Performance Based Funding (PBF) and quality assurance. Suggestions were made on how PBF can serve as catalyst to quality assurance in Nigerian higher education system. It was suggested that funding formulas should be linked to outputs such as increasing the number of students who attains credits and degree completion milestones in Nigerian higher education institutions.

Keywords: Performance-Based, Funding, Quality Assurance, Graduates, Higher Education

Introduction

Nations that aspire to acquire technological development as well as all round development in all sectors do take investment in higher education very seriously. Human capital development is imperative to all round development in terms of social, economic, political development of any country. The higher education sector is seen as the purveyor of such development. Hence, governments take special interest to ensure that higher education services are designed, packaged and delivered in a way that, they will be able to meet the needs of the society and attain the national development.

For institutions to successfully drive the nation towards economic and social prosperity, it must be well prepared to deliver its mandates in the very form they were programmed. The higher educational institutions must be seen to delivering on all its purposes and objectives. Hence, the issue of quality services comes to the fore. Higher institutions must not only be seen as providing services

for which they are set up, but they must be seen as delivering the services to the expectation of the owners and the community they are serving. The issue of quality education has dominated the global discussions and Nigeria in particular. Most often, the institutions just exist, although we have numbers of established schools but there has been a wide gap between what they are providing and the society expectation, more especially the quality of employability of their graduates. The mandate of these institutions is to provide middle and high level technical manpower for the country through quality graduates who will be able to proffer solutions to everyday problems of the society (Federal Republic of Nigeria, (FRN), 2013).

Also, the higher institutions were expected to be centres of excellence, where research and discoveries were expected to dominate their activities. The question how much of the problems facing the nations have been solved through research efforts coming from these institutions? The easiest of their mandate was to provide quality manpower for the economy: the civil services, the industrial sector, the services sector and the agricultural sector. The sad reality of the quality situations of graduate from our higher institutions is that, they fell short of employers expectations. Graduates of our universities are subjected to extra training. They underwent rigorous recruitment tasks and examinations before they are absorbed into their system and take them as graduate trainee, after which very few are chosen for regular/permanent employment. Most of them that are trained to acquire specific skills in teaching, engineering, agriculture, health and medical services displayed gross inadequacy in skills when they are employed. Those in general studies like social sciences studies and humanities are even finding it more difficult to get employed. There is gap in expectations of what these graduates should be able to do and what most of them are actually capable of doing. Many could not successfully deliver a correct speech at interviews, answering interview questions correctly, writing correct application or resume becomes a hiatus.

The root of these divergences in quality expectations is not farfetched. Many of the higher institutions in Nigeria were not adequately funded, the state of facilities in these institutions are far from being ideal, teaching and instructional materials are often too old, outdated, and often times not there for students to learn from. Many of the higher institutions were set up with wrong motives, politics of inclusion and compensation dominated their set up and as such afterwards government funding dwindles after the initial set up (Odia & Omofonmwan, 2007). It is also of note that, most of the supervising agencies and bodies do not do their work properly to initiate quality delivery and assurance. Most of the institutions run without the pre-requisite mix of adequate human and material needs, thus, compromising quality. And in situations when some of the institutions were able to achieve a measure of quality breakthrough amidst of all the problems, they were not adequately compensated.

Concept of Quality Assurance in Higher Education Institution

Quality assurance in higher education includes all policies, measures, planned processes and actions through which the quality of higher education is maintained and developed. It is a way of preventing errors and mistakes in the output/products of any organisations. Quality assurance serves as part of quality management that focused in providing confidence that quality requirement are adhered to and fulfilled. Quality assurance is a term that refers to an ongoing, continous process of accessing, monitoring, guaranteeing, maintaining and providing quality of higher education systems, institutions and programmes (Brinia & Soundoulounakis, 2015). Quality assurance is a regulatory mechanism that focuses on accountability and improvement of process and products through an agreed upon process and a well – established criteria (Central European University, 2016). It depends on the existence of the necessary institutional mechanisms built over time a sustained quality culture. Quality management, quality enhancement, quality control and quality assessment are the means through which quality assurance is ensured.

In Nigeria, quality assurance systems are put in place for most of the higher institutions. It is basically by National Authorities, National Universities Commission (NUC) for universities, National Technical Education Board (NTEB) for polytechnics/monotechnics, National Commission on Colleges of Education (NCCE) for colleges of education etc. However, these authorities operate at the national levels as supervising agencies and expectedly, quality assurance is expected to be internalised. It thus, has both the external and the internal component.

At the national level, quality assurance system contains arrangement for a systematic evaluation of establishment and study programmes. In the instance, quality assurance system exhibit 6 (six) common qualities which are as follows:

1. National coordination by an independent agency.
2. Internal evaluation that results in self – assessment reports
3. Intermittent evaluation by external experts partially based on establishments for self-assessment findings
4. Publication of evaluation outcomes including recommendations for improvements
5. Implementation of the recommendations ;and
6. Assessment of the appropriateness and effectiveness of the quality assurance methods and procedures (**Australian International College, nd**).

The success of the quality assurance activities depends so much on the independence of the evaluation agencies. Quality assurance systems should be independent of interference from the state, from the particular interests of the individual establishment and from educational macro – planning policy. Regardless of the level to which higher educational establishment are

autonomous, in every country educational establishments are considered as to be fully accountable to the society what happens to the financier and consumer of the institutions and products. It must therefore be designed and operated in a manner that institution must give account of their activities in a systematic and transparent manner.

Accountability is thus a key component of quality assurance practices, which is not only in formal matter but also in our social aspect (European Commission, 2018). That is, the public must be able to draw conclusions and make judgment in the quality of service delivered by the establishment. Internal evaluation will provide the establishment with relevant information about its own performance. In particular, the weak and strong points are identified by assessing the institution programmes and policies as well as their implementations. Basically, the institution evaluates key aspect of its programmes such as: the feasibility of the study programmes, the effectiveness of the education and assessment – methods, the competence of the staff, the effectiveness of both the internal and external information network and the efficiency in the use of human, financial and other resources. Internal evaluation is a continuous activities with the establishment and during the consecutive internal evaluations, it will be verified whether these arrangements have been fully or partially implementations and if so, whether they have resulted into intended effects. Internal evaluation is therefore considered to be an indispensable management tool for assuring quality.

The Need for Quality Assurance in Education

The role of higher education in a national development cannot be overemphasised. Quality in education is a non – negotiable concept which all educational institutions must imbibe into their daily activities NUC (2004) defined quality assurance as an important tool for building institutional image on a machinery for perfecting consumers of education. Quality assurance promotes acceptable standards of education, Scholarship and infrastructure through a systematic and consistent review and evaluation of educational programmes by the institutions.

Adegbesan (2010) highlighted the major roles of quality assurance in the Nigerian educational system:

1. Serving as an indispensable component of quality control strategy in education.
2. Ensuring the maintenance of education system at all levels
3. Assisting in effective monitoring and supervision of education
4. Determining the quality of teachers inputs, and
5. Determining the number of classrooms needed based on the average class size to ensure control of education

Quality assurance has a role to play in the attainment of education goals

objectives and improvement in learning experience and promotion of good educational standard. Henry (2008) referred to quality assurance as a mechanism for ensuring appropriate learning process, an exercise of control over what is permitted as educational experience, and ensuring that institutions comply with basic quality requirement and are accountable to stakeholders. Essentially quality assurance will be sustained if institutions meet basic educational input requirement to perform their duties. However, quality assurance goes beyond meeting educational input requirement, it is a programme that regulate, guarantee and maintain continuous improvement in quality of academic performance based on specific guidelines and a constant evaluation of the whole system (Ijaiya, 2001; Fadokun, 2005).

Concept of Performance-Based Funding (PBF) in Higher Education System

The PBF in higher education is a funding system whereby a portion of public owned higher education institutions' budget is allocated according to specific performance measures such as course completion, retention and degree completion instead of allocating funding solely on the basis of enrolment. The system is predicted in goal setting either by the government or at the institutional level, measurement of progress and indicators in various areas and incentives, which can be either financial or regulatory (Council of Ontario Universities, 2013). Performance funding is a policy that has been implemented in many states in USA (Miao, 2012). The policy uses a formula to allocate state funding to public higher education institutions based on student learning outcomes. Historically, public institutions were funded by state tax primarily based on the number of students enrolled (Dougherty, Jones, Lahr, Natow, Pheatt, & Reddy, 2016). Performance funding shifts a portion of the fund allocation from an enrolment-based model to an outcome-based model. Commonly used outcomes includes student retention rates, transfer rates, credit hours earned, graduation rates, degree conferred and job placement rates. Institutions earn funds by graduating, not simply by enrolling students (**Li**, 2018).

In 2015, about 35 states have performance funding with additional 5 states developing a performance funding policy.

Types of Performance-Based Funding

Miao (2012), identified 3 types of PBF

1. Output/outcomes-based funding formula (or payment for results): This model links funding formulas to outputs such as increasing the number of students who attains credit and degree completion milestones. The model is based on the assumption that providing financial incentive for institutions will generate positive outcomes. Institutions can boost their

total funding by improving their results in various performance metrics. The model can be structured to recognise differences in institutional mission and student population.

2. Performance set-asides: This model allocates a percentage of higher education funding for PBF where funds may be drawn from either the base funding or from additional sources. Institution competes for shares of the performance fund by producing results that meet or exceeds certain targets.
3. Performance contracts: This model involves agreement between states and individual institutions in which a certain level of funding or a regulatory provision is guaranteed of the institution meets specific goals. This model is sometimes tied to performance budgeting.
4. Competitive based funding: In competitive PBF, there may be a fund set aside with a fixed amount for funding. Institutions compete for this funding based on performance metrics; the institution may not receive increased funding. Even with performance improvements, an institution may maintain or lose its share of funding depending on its performance relate to its peers. It means each institution is dependent on the action and performance metrics achieved by other institutions, not just its own actions.
5. Non-Competitive PBF: Non-competitive PBF funding is open ended and institutions do not compete with each other for funds, but may be required to meet a certain benchmark or cut off. Friedel, Thorlin, D'Amico & Katsines (2013) submitted that 22 states have a funding formula in place that provides some amount of funding based on performance indicators while 7 states are in transition states to PBF and 10 states are having formula discussions on PBF. Friedel et al, (2013) listed the performance indicators often used in the states to include

a) Course completion or achieving a certain threshold number of credit hours
b) Successful transfer to other institutions;
c) The number of degree awarded;
d) Premiums for low – income students; and
e) Premiums for production of S.T.E.M degree.

Conclusion

Since PBF uses a formula in the allocation of state funding to public higher education institutions based on student learning outcomes.

Quality assurance has been linked to accountability and performance which are focused on maximizing the effectiveness and efficiency of educational systems and services in the attainment of its stated objectives Ajayi & Adegbesan (2007). Thus, the followings strategies are recommended for achieving quality assurance in Nigeria education system:

- Funding formulas should be linked to outputs such as increasing the number of students who attains credits and degree completion milestones in Nigerian higher education institutions.
- To attain accountability and quality in Nigerian higher institutions, institutions compete for shares of the performance fund should produce quality graduates that meet or exceeds certain targets or demand.
- There should be agreement between government/owners and management of individual higher institutions in which a certain level of funding or provision is guaranteed of the institution meeting certain specific goals inform of quality.

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