

ABSTRACT

Degree-awarding institutions (DAIs) have a significant impact on how the country develops. So, the financial resources needed by the DAIs are usually provided by the government. There are 48 public-sector medical (PSM-DAIs) in Pakistan, governed by the Pakistan Medical and Dental Council (PM&DC). These DAIs, like any other organization, are operating as a business unit, and because of the high level of competition, institutions want to operate at a maximum level of efficiency relative to their competitors in the market. A research issue is the evaluation of PSM-DAIs' performance in terms of financial resources. In this situation, it is important to study the financing criteria the government or Higher Education Commission (HEC) uses to support these institutions and to assess their overall efficiency. The study aims to assess the operational performance and resource allocation strategies by the exchequer to the PSM-DAIs based on some input and output indicators. The PSM-DAIs are the productive units that own resources and use them as input to produce the output by using Data Envelopment Analysis (DEA) method. The study used data from PSM-DAIs from Balochistan, KPK, Punjab, and Sindh. Out of 48 PSM-DAIs, 25 were included in this study as a decision-making unit (DMU) based on the availability of data. The number of graduates and the number of publications were included as output indicators, while the budget and the number of seats were included as input indicators. Using the software STATA, the DEA approach was used to determine each DMU's efficiency score. The study shows that DMU 3 was the least efficiency score, and DMUs 6, 7, 20, and 25 were found to be the most efficient (efficiency score of 1 with ranked 1), outperforming all other DMUs. DMU 18 performed at a weak efficient level (efficiency score of 1 with ranked 5) and needs to improve. The standard for all other DMUs are DMUs 6, 7, 20, and 25. To be more efficient, other DMUs should imitate these DMUs. There is a need for improvement because the majority of PSM-DAIs were inefficient. According to the DEA study, making the inefficient DMUs efficient requires raising overall output and/or lowering input. The result of the study helps us assess the financial efficiency of PSM-DAIs based on the budget available to them, which can help policymakers allocate resources accordingly and the administration should also consider and work to enhance their efficiency level.

Keywords: Financial Efficiency, Performance, Public Sector, Medical, Degree Awarding Institutions (DAIs), Data Envelopment Analysis (DEA)