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Selective research funding policy and catching up the ladder in university research performance in Malaysia

V.G.R. Chandran[1] ◉ | Mohammad Nourani[2] ◉ | Sonia Kumari Selvarajan[1] ◉ | Angathevar Baskaran[1] ◉

[1]Department of Development Studies, Faculty of Economics and Administration, Universiti Malaya, Jalan Universiti, Kuala Lumpur, Malaysia

[2]School of Management, Universiti Sains Malaysia, Penang, Malaysia

Correspondence
V.G.R. Chandran, Department of Development Studies, Faculty of Economics and Administration, Universiti Malaya, Jalan Universiti, 50603 Kuala Lumpur, Malaysia.
Email: vgrchan@gmail.com

This paper examines the post selective policy consequences on the university research performance, specifically between research universities (RUs) and non-research universities (non-RUs). The evidence shows significant achievement in scientific publications and patenting activities, due to additional funding allocation. Nevertheless, the overall efficiency performance is still low because of lack of efficiency in innovation efficiency and, starting 2010, in value creation efficiency. Non-RUs are catching up in efficiency gains and have greater efficiency on value creation. This suggests that non-RUs have concentrated on the revenue generation whereas RUs have picked the easier target, research publications and patenting activities, to justify funding.

1 | INTRODUCTION

Significantly, universities gave rise to knowledge, scientific discoveries and innovation (Clark, 1998; Etzkowitz & Leydesdorff, 2000). In the last decade or so, the supremacy of universities went beyond enabling human capital by way of education to engage in the third mission by establishing triple helix missions (Etzkowitz & Leydesdorff, 2000; Goldstein, 2010; Grimaldi, Kenney, Siegel, & Wright, 2011; Nakwa & Zawdie, 2016; O'Shea, Allen, Chevalier, & Roche, 2005; Roessner, Bond, Okubo, & Planting, 2013). On this note, higher education institutions (HEIs) are the gateway to technology transfers,[1] thus becoming a priority in most developing countries.

In the environment of higher education policy, research funding has been a popular policy instrument to steer a university's efficiency, with the assumption that it has a strong impact in improving research productivity (Nieminen, 2005). Given the resource limitation, funding policy can also be selective in terms of fields, receiving agents and allocation. However, the topic of selective policy intervention in university funding to improve efficiency performance is a controversial one. In a broader sense, the opponents of selective policy intervention argue about the negative consequences due to government failure in recognizing the right candidates (akin to the argument of picking winners) or it can be subjected to rent-seeking behaviour, and therefore, designing a functional policy space would result in better resource allocations. This suggests that selective policy is not favoured, instead, one would prefer having a broader policy, leaving it to the change agents themselves (the universities) to do their best. The emphasis is on the functional policy, which refers to a policy that is neutral without favouring any particular activity as well as being selective in terms of types of institutions. In other words, a policy that aims to be inclusive to all. There are also arguments that a more focused and targeted policy intervention would provide better outcomes given the resource-constraint nature of the developing countries (Chang, 1993). Andreoni and Chang (2016) argue that every policy choice has some form of discriminatory effect that leads to implicit targeting. Likewise, scholars even suggest an intervention to focus on a more targeted mission-oriented innovation policy, arguing that this policy is not about fixing the market, but more for cocreating and coshaping the market (Mazzucato, 2018). Within the education institutions, policy attempts were also made to direct universities to the intended path instead of giving them full autonomy (Jungblut & Jungblut, 2016). Likewise, the policy solutions on research performance have not been well explored (Hottenrott & Thorwarth, 2011; Manjarrés-Henríquez, Gutiérrez-Gracia, Carrión-García, & Vega-Jurado, 2009). Indeed, a more plausible approach would be to study the issue empirically within a country's context using various methods and approach to make further inferences. This is what this paper aim to do specifically.

We offer new insights in the case of Malaysian public university research performance by building the narrative based on both