Impact of Societal and Economic Development on Academic Performance: A Literature Review

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ABSTRACT

The impact of societal and economic development on academic performance is a circle that needs to be established by the developing economies. This research aims to identify the factors that are associated with increased academic performance in Pakistan which is found to be challenging. This study collected secondary qualitative data from 30 research studies published in global and international journals which helped in investigating the role of societal and economic development on academic performance. It is suggested that the country invests in its educational sector and provide an improved outlook to the economy and aid the society which will, in turn, benefit the academic performance of the whole country. Therefore, it is concluded that societal and economic development play an important role in determining academic performance.

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1. Introduction

The present study is focused on evaluating the impact of societal and economic development on academic performance. Quality education is regarded as the cornerstone of the economic development and social transformation (Nawaz, Koser, Bilal, Shabbir, & Latif, 2021). It is, however, the educational quality and its development is also regarded as the indispensable for the learning and teaching process. Over the past few years, there has been a significant resurgence of interest amid economist in human capital and education (Bayat, Louw, & Rena, 2014). For this purpose, the considerable progress has been made in order to enhance the academic performance through societal and economic development. Also, there has been a strong legacy between education and the economic development of a country which highlights that students’ academic performance is dependent on the economic and societal developments in their respective country (Berger & Archer, 2016). It is, therefore, necessary for improving the quality of education within a country as it leads towards economic and societal development of the country.

Societal development is further investigated by Schofer, Ramirez, and Meyer (2016), where it is stated that the country can initiate soft strategies to influence societal direction and determination of it progress. However, the researcher also stated that influencing society cannot occur in short term and long term decisive strategies can change impact the society. Adding to
the statement, Taylor (2018) inculcates that the societal impact on the education varies due to the formative learning process of the young ones. Furthermore, their will to study more is based on the rigidity they faced during their early academic life. The economic development of the country is found to be influenced by academia associated with the country Shabbir (2020). For this study, the reverse effect is investigated where the impact of economic contribution towards education is analyzed. Directive approach taken by developed economies formulates itself as a primal example for the educational sector as it facilitates the long run goal of the developing economies.

The primary aim of this research is to develop an understanding for the impact of societal and economic development on economic performance. Therefore, this study evaluates the importance of economic and societal development for a country. Also, it identified factors affecting academic performance (Nawaz, Koser, Boota, & Shabbir, 2021). Moreover, the impact societal and economic development on academic performance is investigated. Lastly, measures for improving societal and economic development for better academic performance are suggested.

This particular review paper uses a qualitative research design and analyses data collected using a secondary data collection technique. This kind of a data collection, in the context of the contemporary research literature, allows the researcher to investigate the vast variables involved in investigating the impact of societal and economic development on academic performance. Using a qualitative research design with a secondary data collection method fundamentally vitalized its findings due to the fact that the inductive approach is used. The inductive approach enabled this study to incorporate the findings in relation to the established results. Strengthening the quality of this study, a content analysis was conducted to analyses the deduction of the various research studies which have already been conducted on the subject matter. A content analysis was incorporated in order to reflect on the findings of previous researches and consequently observing the direct observation of the respondents who had participated in those studies. It benefited this study to prove the relationship between prior studies and current trends of academic performance in the real world. The data was collected was from 30 different pieces of literature which have been published in notable academic journals of an international repute. It enabled this study to reciprocate its findings in terms of the previously collected as well as analyzed research data. As a matter of fact, this kind of a content analysis, according to the literature, marginalizes any weakness that could be objected in the study which is being undertaken.

2. Literature Review

2.1 Factors Affecting Academic Performance

Academic performance is defined as the extent to which a teacher or institution has reached their respective educational goals. It governs the variables which contribute towards the long-term growth of the country. The budgetary deficits of the developed economies and their history is compared with the developed economies and it is stated by Geissdoerfer, Savaget, Bocken, and Hultink (2017) that the countries which developed their educational sector in the 20th century are found in economically better position Nawaz, Koser, and Shabbir (2021). The researcher instigated the need to study on the factors affecting academic performance. Eysenck and Keane (2015) stated that psychological need of individuals is an important factor of academic performance. In terms of society, it is detrimental to analyze the academic performance individually. Therefore, a need is developed to reciprocate factors in terms of society rather than individually (Saleem, Khan, Shabbir, Khan, & Usman, 2022).
Junco (2015) states that the dynamic trends of the society have achieved the attention of academic performance. The researcher argues that technological development is urging the society to strengthen itself academically in order to understand what more it could offer. The age of invention is past the current trends. However, the competition in the industry has ignited a need for highly skilled labour (Nawaz, Shabbir, Bilal, Koser, & Latif, 2021). The lack of effectiveness in labour supply has diminished which creates a gap to meet the equilibrium level of employment in the market. It forces the society to indulge in academic practices which will enable them to compete in the labour market. In turn, this will strengthen the country economically during the rift of globalisation and high competition.

Globalisation has impacted towards the rising needs of achievement of competitive advantage individually as well. Samaha and Hawi (2016) analysed that the individuals continue to seek academia in order to improve themselves and polish their skills with respect to their interest. However, individuals are found to be sustaining to the pressures of the society and economy to fill the void of competition they are lacking (Banks, 2015; Nawaz, Shabbir, Shaheen, & Koser, 2021). The depth of the literature on factors effecting academic performance reflect on the dire need of development in this sector, globally. Moreover, Dixson, Worrell, Olzewski-Kubilius, and Subotnik (2016) states that culture, economics and social aspect serve as the chief determining variables of academic performance.

2.2 Impact of societal development on Academic Performance

The social development is considered to possess three critical factors; health, economy and electoral participation. The positive correlation between societal development and academic performance is examined by Al Shawwa et al. (2015) where the results are concluded with the help of empirical results strengthening the impulse of societal development on academic performance. G. Feldman, Chandrashekar, and Wong (2016) adds to the context that individuals are free to choose their interest if their respective societies are developed and behave in an organized manner. However, it is also stated by Mbiti (2016) that the laid-back attitude can be instigated with the help of developed society where indifference of competition might arise.

2.3 Impact of economic development on Academic Performance

The economic development is supported with better job creation and competition in the respective domestic markets which facilitates the interest of the labour (Miletzki & Broten, 2017). The labour is forced to enhance their skills in light of seeking better opportunities. Furthermore, it is also inculcated from the literature by Miletzki and Broten (2017) that the economic development facilitates the social sector of the economy which increases the human development index of the respective demographic. Adding to the research, human development index facilitates the interest of individuals in their personal development which is worked by their academic performance Liu et al. (2022). The developed economies have the desired amount of jobs yet the competition in employment instigates individuals to focus on their academic performance to prove their worth to the employer.

2.4 Role of economic development in catalysing academic performance

While investigating the contribution of economic development on academic performance, the literature critically evaluated the possibilities with which the statistics could be marginalized in order to find the desired impact (Shabbir & Wisdom, 2020). Upon exploring the academic performance, it was determined that the academic performance is a critical subject which is hindered with internal as well as external factors of the educational framework (Mushtaq & Khan, 2012). Economic perspective of the educational boundaries can help marginalise the impact of
external factors on the student’s mind. One of the main recommendations made by the authors is that the strategists follow in the footsteps of the developed countries which developed their educational sector with the help economic contributions (Yaqoob et al., 2022). Analysing the said research work allows this study to realize the importance of governance strategies that can startle the field of academic performance in Pakistan.

The ideas discussed by the authors are in complete consonance with the ones discussed by Farooq, Chaudhry, Shafiq, and Berhanu (2011). According to Farooq et al. (2011), the students need a motivational factor in order to increase their academic performance. The competition in the job market will initiate their interest in personal development by reaching new heights in the educational boundaries. The recommendation in this case, however, is that the students should focus on their interest while following their career paths Cao et al. (2022). Since it is among the unanimously agreed case from the 30 internationally recognized journals in the same area of expertise as this particular study, it is established that students grade is significantly impacted by the society they live in. The significance of the economic development is also investigated in this research which establishes the argument that the economic development yields job creation which increases the competition in the educational sector. Almost all the studies have a consensus that steps for the betterment of the economy must be initiated in order to improve the educational aspect of the country (Ji, Cheng, Kannaiah, & Shabbir, 2022).

Since both the factors play an equivalent role in academic performance, the descriptive analysis incorporates the findings from both the variables. It establishes the fact that student’s life is governed by several factors which are majorly governed with the help of economic and societal developments (Ge et al., 2022). Moreover, the job market, which is governed by economic health of a country, yields significant competition in academic performance of students as the entry level jobs of the mentioned students are mostly judged by their academic performance. Since the dataset comprises knowledgeable individuals, it is established by this research that betterment in economy yields better educational performance from the students (Saleem et al., 2022). Authors such as Memon, Joubish, and Khurram (2010) argue that they have seen that the students who are enrolled in economically better times are found to be more productive with their work rather than students who come in challenged economic conditions. Therefore, the country needs to incorporate better economic conditions in order to improve their academic performance as it will lead to a cycle of economic development for the country as well.

Upon investigating the job creation in the market due to the increase in job market, one of the studies conducted by Fuller and Clarke (1994) deduced that if it is known that a certain benchmark of performance will surely lead one to one’s dream jobs, the ultimate consequence will be that one starts studying harder. The ambiguity of the future and the instability of economic conditions lead to a slowdown in the academic interest which deters the academic performance of the students. Siddiqui and Gorard (2017) exemplify that a student, during his or her undergraduate degree, is not certain about his interests and lacks the desired performance in accordance to the expectation of the professors. However, if a job is guaranteed at the end of the degree, the same student would have worked harder from the beginning of the degree program.

### 2.5 Significance of societal development while contributing towards academic performance

An important deduction in this very domain is made by Durlak (2015). According to the authors, the students who come from a developed society are found to be at ease when they are taught. They do not feel the pressure to meet the expectations while maintaining their own set benchmarks for the society. The determination of students in underdeveloped societies is met...
with desperation which diminishes their performance significantly. However, in Pakistan, a mix of those students is present. This idea has been supported and advanced by Khattab (2015), who, in turn, argues that the social trend in Pakistan is inclined towards the practical studies which marginalises the student’s interest in their academic performance. They are more relied towards growing their skillset rather than developing their knowledge bank which will significantly increase their knowledge bank (Sadiq et al., 2022). The authors comment that throughout the university life, it is often experienced that one group of friends is inclined towards the subjects that would yield them better jobs. However, later they lose their interest in the subject due to the theoretical approach of the instructor.

In accordance to the findings from the data set and the aforementioned literature, the argument of improvement in the economic conditions yields better academic performance is established. Glewwe, Park, and Zhao (2016) documented that the betterment in job market is due to the sustainability of the economy. In line, the content analysis conducted above yields the result that better economic conditions significantly improve the educational background of a country. The academic performance is backed up by economic conditions which lead to better job opportunities. Khan (2018) inculcates that the Pakistani market lacks the skilled labour that is required for the country to reach competitive advantage in the globalised world. Therefore, in line with the qualitative findings from the secondary data collected using a secondary data collection approach, it may as well be stated that the academic performance is catalysed by the indulgence of sustainable economic conditions.

Analysing the factors associated with academic performance, society and economic development plays an important role (Bailey & Phillips, 2016). Authors such as Latif, Choudhary, and Hammayun (2015), and Siddiqi (2017) also establish that the exposure of the student towards the society and economic conditions plays a key role in their motivation to study. Therefore, it may be established from the thematic content analysis as well as the literature that the capacity of an individual to ignore the externalities is limited and their motivation to study is bound to diminish over time. Isik, Wilschut, Croiset, and Kusurkar (2018) states that the motivation to study incorporates a major part to their academic performance as it exploits their ability to focus on the concepts taught in class.

As a whole, societal and economic development play an important role in determining the academic performance (Saeed, Yousafzai, Yani-De-Soriano, & Muffatto, 2018). Supporting the literature, the content analysis yields this study a conclusion that the mind-set of the students is dominated by externalities but not how their universities behave for them. K. A. Feldman (2017), on the contrary, states that the university environment plays an important role in determining the success of the students. However, Elton (2018) states that the universities are governed by the behaviour of the respective society, therefore, it formalises with the findings of this research that economic and societal development play a key role in the betterment of academic performance.

2.6 Spady’s Sociological Theory

Studied in the 1970, Spady’s sociological theory explained the student retention in the universities (Aljohani, 2016). The theory explained that the student’s ability to abide by the cultures of the university is significantly dependent upon the environment that is offered by the university (Eaton & Cates, 2019). The theorist states that the ability of students can be influenced with a positive environment which will ensure the student’s success and in turn increase the academic performance. However, the student’s attributes are also discussed which are supported with the variables that include the likes of skills, interests and exposed to influences in the university. Since these variables are partly in control of the institution itself. Aljohani (2016)
highlighted that the Spady’s theory suggests that the university's environment significantly impacts student's ability to sustain the college pressures. However, the social and economic perspective offered in the university plays an equally important role in determining the academic performance of the respective institution.

3. Conclusion

Society’s influence in the behaviour of the individual is found to be critical. The academic performances are significantly related to the formation of the argument that the society and economic pressures determine the grades of the student which is an important aspect of the academic performance. However, as found in this study, there are measures with which one can improve the quality of education in the country and create a circle that will yield significant growth rate to the country. If the country manages to control its budgetary deficits and invest in the educational sector, it will yield positive impact on the job market. It will credit individual’s ability to learn and find their desired employment. Moreover, a developed society will enable the students to engage in the professions they want which in turn will catalyse their interest in academia for the field they want to be a part of, therefore, it is concluded by this study that economic and social development will significantly increase the academic performance in the long run.

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