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Innovative Practices For Financial Viability of Higher Education Institutes In India- A Conceptual Analysis

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ABSTRACT

Financial viability is the ability to generate income to meet operating payments and where applicable, to allow growth while maintaining service levels. In India, the higher education institutions are playing a prominent role in educating and directing the young generation towards their ambitions and also the number of universities and higher education institutions are increasing year by year. But the process of setting up and running these institutions in an absolutely is a difficult task because of the financial requirement. Many of the higher education institutions are highly depended on the Government funds, Donors, Trustees and other sources. Sometimes, it impacts the fee structure of these institutions. This study helps to find other ways, which will help to avoid the dependency to meet these operating costs. With these innovative practices higher education institutions will become self sustainable and also it empowers the skills and abilities of faculties and students fraternity.

Keywords: Financial Viability, Higher Education, Innovative, Operating Cost, Sustainability.

I. INTRODUCTION

India's higher education system is the third largest in the world, next to the United States and China. The main governing body at the tertiary level is the University Grants Commission, which enforces its standards, advises the government, and helps coordinate between the centre and the state. Accreditation for higher learning is overseen by 15 autonomous institutions established by the University Grants Commission (UGC).

In January 2019, India had over 911 universities and 40,000 colleges. In India's higher education system, a significant number of seats are reserved under affirmative action policies for the historically disadvantaged Scheduled Castes and Scheduled Tribes and Other Backward Classes. In universities, colleges, and similar institutions affiliated to the federal government, there is a maximum 50% of reservations applicable to these disadvantaged groups, at the state level it can vary. Maharashtra had 73% reservation in 2014, which is the highest percentage of reservations in India.

Higher education in India faces problems ranging from income and gender disparities in enrolment, to poor quality of faculty and teaching and even to a general lack of motivation and interest amongst students. Industries cite skill shortage as one of the major factors contributing to the mounting number of unemployed graduates. One of the main challenges faced by the Indian higher education system includes finance.

Financing – The inability of the state to fund the expanding higher education system has resulted in the rapid growth of private higher education. In addition, diminished governmental financial support adversely affects small and rural educational institutions. A growing number of public institutions are forced to resort to self-financing courses and high tuition costs.

II. REVIEW OF LITERATURE

A. Sanjivani Sonavane-Shelke, 2018, He tried to convey in his research that the Higher education should be free for everyone and students feel that all fees should be borne by Government, Need greater private participation in higher education. There is no need to replace the Existing regulatory authorities Such as UGC, AICTE etc. Student fees must be kept low by public funding. Student fees must be kept low by public funding. Student loans can take care of needs of poor students.

ISSN:0971-1260

Vol-22-Issue-33-December-2019

B. Ritimoni Bordoloi, 2018, stated in his paper that Higher education should bring up the multifaceted development of human resources by promoting the knowledge-enabled population that will bring socio-economic mobility, peace and progress in society. Thus, the educational providers must undertake the duty to impart need-based higher education that makes people educated with a progressive, rational, analytical, and skilful mind.

C. Sahil Sharma Maharaja Agrasen University, Baddi, India Purnendu Sharma Maharaja Agrasen University, Baddi, 2015, were expressed their view in the paper as Higher education system plays an important role for the country's overall development which includes industrial, social, economic etc. Indian higher education system is third largest in the world. The role of Indian higher educational institutes such as colleges and universities in the present time is to provide quality based education in the field of education, research etc to empower youth for self sustainability.

D. Dr.Gundeti Ramesh, 2013, stated that this paper mainly highlighted the problems and prospects of Indian Higher Education in the era of globalization. The study found that the Higher Education sector has witnessed a tremendous increase in its institutional capacity in the years since independence. The study observes the fact that the women Gross Enrollment Ratio is very less. The study also evidently speaks the truth that the challenges of higher education.

III. RESEARCH DESIGN

This paper brings together a consolidated analysis, which was done to find innovative practices which are need to be followed by higher education institutions to have financial viability. The main purpose of this research is to identify different ways to find new source of income to the higher education institutions by adopting innovative ideas and to make theses as self sustainable and growth of higher education institutions. To analyze this paper, secondary data has been used and various earlier research works has been studied. This research is in descriptive in nature and applicable for higher education institutions to become self sustainable.

IV. HIGHER EDUCATION IN INDIA

A. Introduction

India holds an important place in the global education industry. India has one of the largest networks of higher education institutions in the world. However, there is still a lot of potential for further development in the education system.

Moreover, the aim of the government to raise its current gross enrolment ratio to 30 per cent by 2020 will also boost the growth of the distance education in India.

B. Market Size

India has the world's largest population of about 500 million in the age bracket of 5-24 years and this provides a great opportunity for the education sector. The education sector in India is estimated at US$ 91.7 billion in FY18 and is expected to reach US$ 101.1 billion in FY19.

Number of colleges and universities in India reached 40,000 and 911, respectively in 2017-18. India had 36.64 million students enrolled in higher education in 2017-18. Gross Enrolment Ratio in higher education reached 25.8 per cent in 2017-18.

The country has become the second largest market for e-learning after the US. The sector is expected to reach US$ 1.96 billion by 2021 with around 9.5 million users.

C. Higher education organizations in India

India has 6 major organizations in higher education systems, which are regulating the higher education. India has 911 universities from different parts of the country.

Table No-4.1: Apex Level Bodies

S.No.	Name of the Organization	Website

ISSN:0971-1260

Vol-22-Issue-33-December-2019

1	All India Council of Technical Education (AICTE) Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070	http://www.aicte-india.org/
2	Council of Architecture (COA) India Habitat Centre, Core-6-A, Ist Floor, Lodhi Road, New Delhi - 110 003	http://www.coa.gov.in/
3	Indian Council of Historical Research (ICHR) 35-Ferozeshah Road, New Delhi - 110001	http://ichr.ac.in
4	Indian Council of Philosophical Research (ICPR) 36,Tughlakabad Institutional Area, Near Batra Hospital,Tughlakabad, New Delhi - 110062	http://icpr.in/
5	Indian Council of Social Science Research (ICSSR) Post Box No. 10528, Aruna Asaf Ali Marg, New Delhi – 110067	http://icssr.org/
6	University Grants Commission (UGC) Bahadur Shah Zafar Marg, New Delhi - 110002	http://www.ugc.ac.in/

(Source: https://mhrd.gov.in)

4.4 Total No. of Universities in the India as on 05.07.2019

Table No: 4.2

Universities	**Total No. of Universities**
State Universities	400
Deemed to be Universities	126
Central Universities	48
Private Universities	337
Total	**911**

(Source: ugc.ac.in)

V. ANALYSIS OF FINANCIAL VIABILITY.

Financial viability is the ability to generate sufficient income to meet operating payments, debt commitments and, where applicable, to allow growth while maintaining service levels. So, here the financial viability reflects that the financial ability to meet the operating costs of the institutions to run the educational organizations.

Why Financial Viability?

- Higher public expectations over what universities should be delivering.
- Increasing parental concern about the quality of education.
- Greater emphasis on college ratings.
- Demographic changes in student population.
- Higher costs.
- Uncertain funding environment. (Comm, C. and Mathaisel, D. 2005)

VI. INNOVATIVE PRACTICES FOR FINANCIAL VIABILITY AND GROWTH

A. Outsourcing

Outsourcing allows higher education institutions to hire a third party business to manage and operate a non-core competency for the institution. By doing so, a institution has only to pay for the service involved – custodial, bookstore, or parking, for example. At the same time, it may save significant sums of money on employee salaries and benefits and allows the savings to be reallocated to supporting the mission of the institution.

B. Technology

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Vol-22-Issue-33-December-2019

With the widespread use of enterprise resource planning (ERP) tools like e-mail, real-time data, data storage and many others, members from all over an institution can now have much faster and cheaper access to information. Today the costs seem to have flattened out. However, cost-benefit factor shows that this is a worthy and justifiable investment for institution to become sustainable.

C. Collaboration

Higher education institutions may choose to collaborate with other institutions to become leaner and more sustainable. The purpose here is to leverage economies of scale against price. A good example is smaller colleges collaborating on employee health plans. Here, several small colleges might join together as one large entity to get a quantity discount on their workers' health coverage.

D. Effectively and efficiently managing the physical plant.

The higher education institutions physical plants and capital assets should be properly managed to reduce the operating cost. Timely maintenance and replacement process should be done.

E. Centralized budgeting.

Centralized budgeting and staffing controls and the elimination of functions not returning a profit to the college. Actively participates in consortium/ collaborative efforts.

F. Centralized purchasing and streamlined online human resources systems.

The required materials for the institutions should be purchased from a economic source in centralized manner. So that will cut down the overall cost. Along with that a centralized data hub should be maintained for the easy accessibility of the human resource of the institutions.

G. Leadership vision, Implementation for streamline to paper-driven processes and budgeting.

The vision of the leader of the institution should be very clear regarding cut down of the paper cost. By using the technology these institutions need to avoid the usage of paper to maintain the documents.

H. Development of institution-wide training department and learning center.

Institutions should develop training and learning centers to develop the skills and abilities of the students and faculties. So these human resources can be utilized in getting some productive works.

I. Convergence of one IT network.

Centralized IT help desk functions, leadership philosophy, and the understanding of the employee-institutional relationship encourage leanness. Employees feel such strong loyalty they are consistently working towards the success of the institution.

J. A conservative procurement and purchasing of technology.

Where it comes to the procurement and purchase of technology, these institutions should make qualitative decisions by considering the durability and conservativeness of the technologies.

K. Eliminated or discontinued funding.

These higher educational institutions must discontinue funding any program that does not immediately tie in to core mission of educating students.

L. Focused on teaching and core competencies.

By focusing on teaching and core competencies of the faculties these institutions may go for outsourcing the human resource to other higher education institutions.

M. Careful budgeting

Self-discipline, long-range planning, consistent goals and consistent leadership. Creation and distribution of a document where many of the strategic initiatives of the university are conveyed. Many of the lean initiatives are communicated through the members of the cross-functional teams who are working on them.

N. Strategic partnerships and revenue generation outside common channels.

These educational institutions should go for strategic partnerships and revenue generation from outside by lending the physical and human resource, assisting the projects, taking the government sponsorships.

O. Management by walking around.

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Vol-22-Issue-33-December-2019

Proactively organizing initiatives, by observing all the activities which are taking place in these educational institutions, the managing person should cut down the costs, avoid the not necessary activities.

VII. LIMITATIONS OF THE STUDY.

The present study is only limited to general perceptions on financial sustainability. Focusing on a specific set of financial metrics limits the scope of the study.

VIII. CONCLUSION

Higher education in India is performing a prominent role in the development of younger generation. But to give the quality education to the aspirants, these institutions need bear the huge cost. The maintenance of physical assets, increased facilities and to provide proper training. Along with these costs the operating costs of these institutions are also born by these educational institutions.

But to bear all these costs institutions are depended on external sources of funds. Because of this reason these educational institutions cannot act as independent.

This study helps to find some ways, through which they can generate some income and also enhance the quality of education. By offering fund based projects to the students and faculties they can generate income. Proper asset management will reduce the cost. Getting patents and copy rights for innovations of the institution will be a source of fund.

By all these practices the education institutions can provide a creative platform, through which they can become the self sustained institutions and achieve the grand success by competing the advanced countries higher education system.

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