



ASSESSMENT OF FUNDING MODELS FOR EFFECTIVE MANAGEMENT OF PRIVATE UNIVERSITIES IN ENUGU STATE

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Abstract

The study assessed the funding models for effective management of private universities in Enugu State. Two research questions guided the study while two hypotheses were tested at 0.05 level of significance. Descriptive survey research design was adopted for the study. The population for the study was 102 which comprised 43 management staff and 59 finance officers. Census sampling technique was employed because the population was manageable. The instrument for data collection was a researcher structured 12-item questionnaire titled “Funding Models for Effective Management of Private Universities Questionnaire (FMEMPUQ)”. The instrument was validated by three experts. Cronbach alpha statistic was used to determine the reliability and it has an overall reliability index of .81. Mean and standard deviations were used to answer the research questions while t-test statistic was used to test the null hypotheses. The findings of the study showed that tuition fees and donations from alumni are important funding models that contribute to effective management of private universities in Enugu State to a high extent. In view of the findings, the researcher recommended that Private universities in Enugu State should implement robust systems for efficient collection and management of tuition fees to ensure consistent financial stability and operational effectiveness.

Keywords: Assessment, Funding Models, Private Universities, Effective Management

Introduction

Education is the process by which knowledge, skills, values, and beliefs are imparted to individuals through systematic instruction, typically in formal settings like schools, colleges, and universities. Nwangwu and Nsude (2020), defined education as a conscious or unconscious acquisition of knowledge as well as skills which facilitate the development of power of reasoning and judgments that will enable an individual to be functional in society. Education at the university level is an institution of higher education where students pursue academic degrees in a variety of disciplines through structured learning programmes.

University education encompasses formal learning offered at universities and similar institutions of higher education, are diverse academic programs that provide advanced knowledge and skills across various disciplines. According to the Federal Republic of Nigeria (FRN) (2013), university education is highly valued for its role in fostering essential skills and human capital development, thereby increasing productivity within the workforce. A private university is an educational institution that operates independently of direct government funding and is primarily financed through tuition fees, private donations, and endowments. Suleiman, Hanafi, and Taslikhan (2017), asserted that a private university is characterized by its ownership and management being under the control of the private sector. A private university is a type of university that is privately funded and operated, distinct from public universities which receive government funding. It typically has greater autonomy in its governance, curriculum, and admissions policies compared to public universities.

The evolution of private universities in Nigeria dates back to 1979 when education according to Okebukola (2017), was simultaneously placed in the list of the country's constitution allowing individuals and organisations to set up and manage such institutions. Private universities often emphasize small class sizes, personalized education, and may focus on specific academic disciplines or religious affiliations. Management in private universities involves the supervision of institutional



operations and resources, aiming for effective administration and strategic advancement within a privately financed educational environment.

Meanwhile, management involves coordinating and overseeing the activities and resources of an organization to achieve specific goals effectively and efficiently. Effective management is the process of utilizing resources efficiently and strategically to achieve organizational goals and objectives while ensuring productivity and employee satisfaction (Eze, 2016). It involves planning, organizing, leading, and controlling activities to optimize performance and foster a positive work environment. Effective management ensures that funding is allocated and utilized efficiently to maximize the impact and success of projects and programmes.

Funding is the provision of financial resources to support the execution, continuation, and achievement of specific initiatives, projects, or programmes. According to Haruna and Inikpi (2019), funding refers to supplying monetary resources to support a program or project. This means that financial backing is provided to ensure the successful execution and continuation of specific initiatives. On a similar note, Enefu, Aminu, and Ameh (2020) described funding as the provision of financial resources to fulfill the requirements of a project or program. Their definition emphasizes the importance of financial input to meet the needs and objectives of various undertakings. Both perspectives highlight the critical role of funding in enabling projects and programmes to achieve their goals. Without adequate financial support, many initiatives would struggle to get off the ground or sustain their operations.

Funding models provide structured approaches and strategies for securing and allocating the necessary financial resources to ensure effective funding for projects and programmes. Funding models are systematic frameworks that outline the methods and strategies for obtaining and distributing financial resources to support specific projects or initiatives. These models can include various approaches such as grants, loans, investments, and revenue generation, tailored to meet the financial needs and goals of an organization. A funding model is a systematic and institutionalized strategy for establishing a reliable revenue foundation that sustains an organization's essential programs and services, encompassing both recurring and capital components as needed. The efficacy of funding models directly influences the determination of tuition fees in private universities, impacting both financial sustainability and accessibility for students.

Tuition fees refer to the charges levied by educational institutions for attending courses and receiving instruction, typically covering the costs of teaching, facilities, and administrative services. Tuition fees in private universities are generally higher than in public institutions, reflecting the need to cover operational costs without government subsidies (McCarthy, 2017). These fees contribute significantly to the financial sustainability of private universities, supporting resources such as faculty salaries, infrastructure development, and student services. Based on the aforementioned points, Ugochukwu (2019) suggested that the apparent success of private universities could imply that relying on tuition fees is a viable approach, yet it's crucial to note that private universities constitute less than 6% of Nigeria's total university student population. Tuition fees and donations from alumni are both crucial sources of financial support for educational institutions, with tuition fees covering operational expenses and alumni donations often funding scholarships, facilities, and other enhancements.

Donations from alumni refer to financial contributions made by former students or graduates of educational institutions to support their alma mater's programs, scholarships, infrastructure development, or other initiatives. These contributions often serve to strengthen the institution's financial stability and enhance opportunities for current and future students.

Currently, in Enugu State, Nigeria, there exists uncertainty regarding the funding models supporting private universities, despite concerted efforts from university management staff and finance officers. University management staff are individuals in non-faculty roles, including proprietors, vice-chancellors, deputy vice-chancellors, librarians, and registrars, whose roles are crucial in shaping higher education policies aimed at enhancing educational governance and administration in universities. Conversely, finance officers play a pivotal role in overseeing financial operations and ensuring sound fiscal management within their respective organizations. The assessment of funding models for effective



management of private universities in Enugu State thus becomes paramount, considering the complexities involved in sustaining these institutions financially while maintaining educational standards.

Statement of the Problem

The existing funding sources for private universities in Enugu State may not be adequate to cover the increasing costs of educational resources, staff salaries, research initiatives, and infrastructural development. Consequently, private universities are encountering difficulties in upholding their standards and delivering quality education to their students. Limited funds have intensified competition among these institutions, potentially resulting in disparities in educational quality and infrastructure. Moreover, the current funding structure may not sufficiently align with the modern educational landscape, including emerging technologies, evolving teaching methods, and global educational trends. As the educational environment rapidly evolves, there is an urgent need to evaluate and update the funding structure to accommodate these changes and ensure that private universities can meet the demands of 21st-century education.

The central issue revolves around insufficient funding, which impedes the ability of private universities in Enugu State to offer optimal education. There is a critical need for a comprehensive funding model and strategy that can address these financial challenges and improve the management of private university education in the state. By developing a more robust funding system, private universities can secure the necessary resources to maintain high educational standards, promote research excellence, and keep pace with modern educational advancements. This would ultimately benefit students and enhance the entire educational ecosystem in Enugu State. Therefore, this study explored the required tuition fees and alumni donations as crucial components of the effective management of private university education in Enugu State.

Purpose of the Study

The general study assessed the funding models for effective management of private universities in Enugu State. Specifically, the study sought to assess the extent to which:

1. tuition fees contribute to the effective management of private universities in Enugu State;
2. donations from alumni contribute to the effective management of private universities in Enugu State.

Research Questions

The following research questions guided the study:

1. To what extent do tuition fees contribute to the effective management of private universities in Enugu State?
2. To what extent do donations from alumni contribute to the effective management of private universities in Enugu State?

Hypotheses

The following hypotheses were formulated and tested at .05 alpha level:

- HO₁:** There is no significant difference between the mean scores of management staff and finance officers on the extent to which tuition fees contribute to the effective management of private universities in Enugu State.
- HO₂:** There is no significant difference between the mean scores of management staff and finance officers on the extent to which donations from alumni contribute to the effective management of private universities in Enugu State.



Methodology

Descriptive survey research design was adopted for the study. Nworgu (2018), defined descriptive survey research design as one which a group of people or items is studied by collecting and analyzing data from a few people or items regarded as being representative of the entire group. The population for the study was 102 which comprised 43 management staff and 59 finance officers. Census sampling technique was employed because the population was manageable. The instrument for data collection was a researcher structured 12-item questionnaire titled “Funding Models for Effective Management of Private Universities Questionnaire (FMEMPUQ)”. The instrument was validated by three experts from Faculty of Education, Enugu State University of Science and Technology (ESUT). Cronbach alpha statistic was used to determine the reliability and it has an overall reliability index of .81 which indicated that the instrument was reliable and was used for this study.

However, out of the 102 copies of questionnaire administered, the researcher with her research assistants retrieved 91 copies (38 from management staff and 53 from finance officers) which was a 89.22% retrieval rate. Mean and standard deviation were used to answer the research questions, while t-test statistic was used to test the hypotheses. In rating the mean, each response option had a numerical value based on real limit of numbers: Very High Extent (VHE) = 3.50-4.00; High Extent (HE) = 2.50-3.49; Low Extent (LE) = 1.50-2.49; Very Low Extent (VLE) = 0.00-1.49. The interpretation of the test of hypotheses was based on the significance (sig.) values from the SPSS output. The null hypotheses was not rejected when the probability values were greater than 0.05, but was rejected when the probability values were less than 0.05.

Results

Research Question 1: To what extent do tuition fees contribute to the effective management of private universities in Enugu State?

Table 1: Mean scores and standard deviation of management staff and finance officers on the extent to which tuition fees contribute to the effective management of private universities

ITEMS		Management Staff 38		Finance Officers 53		Overall 91		
S/N	Tuition fees contribute to the effective management of private universities in the areas of:	\bar{x}	SD	\bar{x}	SD	\bar{x}	SD	Dec
1.	Technology fee.	2.54	.90	2.58	.93	2.56	.92	HE
2.	Graduation fee.	2.62	.88	2.56	.90	2.59	.89	HE
3.	Health fee.	2.54	.93	2.53	.87	2.54	.90	HE
4.	Laboratory fee.	2.60	.88	2.54	.93	2.57	.91	HE
5.	Non-resident fee.	2.65	.90	2.60	.88	2.63	.89	HE
6.	Course materials fee.	2.58	.84	2.56	.90	2.57	.87	HE
Cluster Mean/SD		2.59	.89	2.56	.90	2.58	.90	HE

The table examines the contribution of tuition fees to the effective management of private universities in Enugu State, focusing on six specific fees. The results indicate that both management staff and finance officers generally agree that these fees highly contribute to effective management, with overall mean scores ranging from 2.54 to 2.63 and standard deviations close to .90. The highest contribution is perceived in the area of non-resident fees, while the lowest is in the health fee. The cluster mean of 2.58 and a standard deviation of .90 reinforce the conclusion that tuition fees significantly enhance university management.

Research Question 2: To what extent do donations from alumni contribute to the effective management of private universities in Enugu State?



Table 2: Mean scores and standard deviation of management staff and finance officers on the extent to which donations from alumni contribute to the effective management of private universities

ITEMS		Management Staff 38		Finance Officers 53		Overall 91		
S/N	Donations from alumni contribute to the effective management of private universities in the areas of:	\bar{x}	SD	\bar{x}	SD	\bar{x}	SD	Dec
7.	Infrastructural development.	2.54	.91	2.50	.95	2.53	.93	HE
8.	Scholarship programs.	2.52	.93	2.54	.94	2.53	.94	HE
9.	Research funding.	2.51	.90	2.53	.90	2.52	.90	HE
10.	Technology upgrades.	2.53	.86	2.53	.88	2.53	.87	HE
11.	Endowment funds.	2.54	.96	2.58	.93	2.56	.95	HE
12.	Staff development.	2.50	.91	2.52	.90	2.51	.91	HE
Cluster Mean/SD		2.52	.91	2.53	.90	2.53	.91	HE

The table shows mean scores and standard deviations for the extent to which donations from alumni contribute to various areas of effective management in private universities in Enugu State, based on responses from management staff and finance officers. For all items, including infrastructural development, scholarship programs, research funding, technology upgrades, endowment funds, and staff development, both groups rated the contributions as high (HE) with mean scores around 2.52 to 2.56. The overall mean score and standard deviation ($\bar{x} = 2.53$, $SD = .91$) indicate a consistent perception among respondents. This suggests that alumni donations are perceived to significantly aid the management of private universities in these areas.

Hypotheses

HO₁: There is no significant difference between the mean scores of management staff and finance officers on the extent to which tuition fees contribute to the effective management of private universities in Enugu State.

Table 3: Summary of t-test analysis of the mean scores of management staff and finance officers on the extent to which tuition fees contribute to the effective management of private universities

Group	n	\bar{x}	SD	df	p-value	Decision
Management Staff	38	2.59	.89	89	.089	H ₀₁ not rejected
Finance Officers	53	2.56	.90			

The t-test analysis in Table 3 shows that there is no significant difference between the mean scores of management staff ($M = 2.59$, $SD = 0.89$) and finance officers ($M = 2.56$, $SD = 0.90$) regarding the extent to which tuition fees contribute to the effective management of private universities in Enugu State. The p-value of .089 is greater than the significance level, leading to the decision to not reject the null hypothesis (H₀₁). Thus, the mean scores for both groups are statistically similar, indicating no significant difference in their responses.

HO₂: There is no significant difference between the mean scores of management staff and finance officers on the extent to which donations from alumni contribute to the effective management of private universities in Enugu State.



Table 4: Summary of t-test analysis of the mean scores of management staff and finance officers on the extent to which donations from alumni contribute to the effective management of private universities

Group	n	\bar{x}	SD	df	p-value	Decision
Management Staff	38	2.52	.91	89	.093	H ₀₂ not rejected
Finance Officers	53	2.53	.90			

The t-test analysis in Table 4 reveals no significant difference between the mean scores of management staff ($M = 2.52$, $SD = 0.91$) and finance officers ($M = 2.53$, $SD = 0.90$) on the extent to which donations from alumni contribute to the effective management of private universities in Enugu State. The p-value of .093 exceeds the significance threshold, resulting in the null hypothesis (H_{02}) not being rejected. Therefore, both groups have statistically similar perceptions regarding the contribution of alumni donations to university management.

Discussion of Findings

The findings of the study demonstrated that tuition fees are a crucial funding model that significantly contributes to the effective management of private universities in Enugu State. This implies that tuition fees play a vital role in providing the necessary financial resources for operational efficiency and sustainability in these institutions. Consequently, the effective collection and management of tuition fees are essential for maintaining and enhancing the quality of education and administrative functions within private universities. The finding aligns with Ugochukwu's perspective from 2019, which underscores the significant role of tuition fees in supporting the management and operational needs of private universities. According to Ugochukwu (2019), revenue generated from tuition fees plays a crucial role in financing various aspects of university operations, including faculty salaries, infrastructure development, and academic resources. This underscores the importance of a sustainable financial model that balances affordability for students with the financial requirements of maintaining high-quality educational standards.

The findings of the study revealed that donations from alumni are an important funding model that significantly contributes to the effective management of private universities in Enugu State. This indicates that alumni donations provide essential financial support, aiding in the operational stability and development of these institutions. As a result, fostering strong relationships with alumni and encouraging their financial contributions are critical for maintaining and improving the quality and sustainability of private university management.

Conclusion

The study's findings indicate that both tuition fees and alumni donations are critical funding models that significantly contribute to the effective management of private universities in Enugu State. These financial resources are essential for maintaining operational stability, supporting educational quality, and facilitating institutional development. The importance of these funding sources underscores the need for efficient tuition collection practices and robust alumni engagement strategies. Therefore, private universities should prioritize these funding models to ensure sustained growth and excellence in their management practices.



Recommendations

Based on the findings, the study recommended that:

1. Private universities in Enugu State should implement robust systems for efficient collection and management of tuition fees to ensure consistent financial stability and operational effectiveness.
2. Private universities should actively engage with alumni through targeted outreach and fundraising campaigns to increase the volume and frequency of alumni donations, thereby enhancing their financial resources.

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