SUSTAINABLE FUNDING MODEL FOR EFFECTIVE MANAGEMENT OF STATE OWNED UNIVERSITIES IN SOUTH-SOUTH GEO-POLITICAL ZONE, NIGERIA

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Abstract

This study examined sustainable funding model for effective management of state-owned universities in south-south geopolitical zone, Nigeria. To achieve this purpose, two research hypotheses were posed to guide the study. Literature was reviewed according to the variables of the study. The population of the study comprised of all management staff of state owned universities in the study area. Census sampling technique was adopted for the study. A structure questionnaire was used for data collection. Simple regression analysis was used for data analysis, the result of the analysis revealed that diversification of Revenue Sources and Public-Private Partnerships (PPPs in the school system significantly influence effective management of state owned universities in the study area. It was recommended that School administrators should diversify school revenue based to reduce over dependence on government subvention for effective management of the university. Administrators of universities should ensure that there is continuous partnership and collaboration with private organization to support the universities in area of need.

Keyword: *Sustainable Funding Model, Effective Management, State-owned Universities.*

Introduction

Over the years there had been called from stakeholders in education for proper funding of universities in Nigeria especially state-owned universities, as a result of the proliferation of state-owned universities, often without adequate planning and funding. This trend has led to concerns about the quality of education, infrastructure and the sustainability of the university system. State owned universities in South-South Nigeria, faces persistent funding challenges, including over-reliance on government subvention which has hampered effective management of state universities in the region, some of these universities struggled to pay salaries of staff, faced inadequate office accommodation for staff, unconducive learning environment for students, the university end up producing half-bake graduates that cant not compete with their pears at the global stage, shortage of qualified academic staff and related to political interference. These factors contribute to a suboptimal learning environment and hinder the universities ability to produce graduates equipped to meet the demand of the nation (Akpam & Abana, 2024).

Agba (2024) is of the view that for state universities to function maximally and produce quality graduates vice-chancellors must step up their leadership skills by providing innovative leadership that would take the universities from depending on traditional approached of funding universities with only government subvention to a more dynamic and sustainable means. State governments often underfund their universities, leading to shortages in resources, poor infrastructure maintenance, and difficulties in attracting and retaining qualified staff. The monthly subvention provided by state governments may not be sufficient to cover the universities' operational costs, including salaries, research, and infrastructure development. Many state universities lack adequate classrooms, laboratories, libraries, and accommodation facilities. This poor infrastructure negatively impacts the quality of teaching and research, and creates an unconducive learning environment for students.

Bright (2019) states that there is a significant shortage of qualified academic staff in many state universities, this shortage can lead to increased workloads for existing staff, reduced research output, and a decline in the quality of teaching. Political influence in the appointment of key university officials and in the day-to-day running of the institutions can compromise academic freedom and institutional autonomy. This interference can also lead to the appointment of unqualified individuals to leadership positions, further impacting the university's performance. The "brain drain" phenomenon, where skilled academics and professionals leave the country for better opportunities abroad, is a major concern for state universities. This exodus of talent further exacerbates the shortage of qualified staff and negatively impacts the quality of education and research.

Frequent strikes by university staff unions, often triggered by issues related to funding, salaries, and working conditions, disrupt the academic calendar and negatively impact students' learning. Corruption and mismanagement of funds allocated to universities can lead to a diversion of resources away from essential academic activities, further exacerbating the challenges. Limited funding and inadequate facilities often hinder research activities in state universities. This lack of research output can limit the universities' contribution to national development and their ability to attract external funding. Addressing these challenges requires a multi-faceted approach involving increased government funding, improve infrastructure, better staff welfare, reduced political interference, and a commitment to transparency and accountability in university administration (Okebukola, 2016).

Literature Review

According to Ali (2024) stated that developing a sustainable funding model for the management of state-owned universities in south-south require a multifaceted approach that balances government support, private sector involvement and internally generated revenue (IGR).

1. Government Commitment: Increased budgetary allocation, State governments should prioritize education by increasing the percentage of their annual budget allocated to university education, aligning with UNESCO’s recommended 15-20% of total government expenditure. Education trust funds, create or expand state-level education trust funds focused on supporting public universities through infrastructure development, scholarships, and research grants.

2. Diversification of Revenue Sources: Tuition fees, introduce moderate tuition fees while providing scholarships and loans for indigent students to ensure affordability. Endowment funds, establish endowment funds, encouraging alumni, philanthropists, and corporate entities to contribute. Research grants, partner with international organizations and NGOs to secure grants for research and innovation. Commercial ventures, universities should invest in revenue-generating ventures, such as real estate, agriculture, consulting services, and production units for goods and services.

3. Public-Private Partnerships (PPPs): Infrastructure development, engage private sector players in building and maintaining university facilities under PPP agreements. Corporate sponsorships, Partner with companies for scholarships, research funding, and workforce development programs. University-industry Collaboration, create partnerships with industries for internships, funded research, and technology development.

4. Internally Generated Revenue (IGR): Specialized Programs, Offer professional and executive education programs tailored to industry needs. Distance learning and e-learning platforms, develop online courses to attract a broader audience, both locally and internationally. Consultancy Services: Establish consultancy arms to provide expertise to government and private sector clients. Leverage university assets, commercialize unused land for agriculture or real estate, and utilize facilities for events and conferences.

5. Alumni Engagement: Alumni donations, actively engage alumni networks to contribute financially and materially to their alma mater. Naming Rights, offer naming rights for lecture halls, libraries, or buildings as incentives for significant alumni contributions.

6. Accountability and Transparency: Efficient resource management, ensure accountability in the use of funds to build trust with stakeholders. Performance monitoring, regularly assess the financial health and impact of funding strategies to make necessary adjustments.

7. Legislation and Policy Support: Legal frameworks, enact laws that mandate funding commitments from state governments and encourage private sector support. Tax incentives, provide tax breaks to organizations and individuals who contribute to the development of state universities.

8. Community and Regional Development Programs: Partnerships with Local Communities, engage host communities in projects that benefit both the university and the community, such as vocational training centers and joint agricultural ventures. Regional cooperation, encourage state universities in the South-South to collaborate in resource sharing, joint research projects, and regional development initiatives.

9. International Collaborations: Partner with foreign universities and organizations to access grants, training opportunities, and capacity-building programs. Seek donations and support from the Nigerian diaspora, particularly those from the South-South region. By implementing a blend of these strategies, state universities in the South-South geopolitical zone can achieve sustainable funding and provide quality education that supports regional and national development.

Moreover, Okebukola (2016) emphasizes the importance of aligning financing mechanisms with broader sustainable development goals. This requires a focus on developing sustainable funding models that priorities long-term investments in education and research, as well as strategies that promote social inclusion and environmental sustainability. Nigeria, as a developing nation, is currently experiencing a surge in university student enrolment. This rise in enrolment necessitates a proportional increase in funding, which, unfortunately, is not being met. The allocation of funds does not rise to meet the heightened demand caused by the increase in enrolment. Both parents and students are apprehensive about any new initiatives in the management of tertiary institutions, fearing that this might lead to the increase in tuition fees. Despite the regular government subventions (allocations) to universities, higher institutions, particularly universities, still struggle to meet their minimal 10% internal fund generation quota. These challenges persist, and adequate financing is crucial to address them (Oladiran, 2015).

Regrettably, tertiary education in Nigeria has not been accorded the anticipated level of prominence in terms of funding, as evidenced by the recurrent inadequacy of allocated funds to government agencies responsible for universities (Lawanson & Umar 2020). Therefore, the objective of this study is to propose sustainable funding model to policymakers, educators, and stakeholders seeking to enhance effective management of state owned universities in south-south through innovative financing within the scope of higher education. According to Ekunke (2023) opined that in the realm of state owned universities, the concept of a sustainable funding model is paramount for ensuring long-term viability and impact. A sustainable funding model is not merely about securing financial resources; it encompasses a strategic approach to generating revenue that aligns with the university mission, vision and values. This model allows universities to operate independently, reducing reliance on government subvention.

By diversifying income sources and creating a robust financial foundation, universities can better weather economic fluctuations and maintain their programs and services. A sustainable funding model also emphasizes the importance of community engagement and stakeholder involvement. It encourages universities to build relationships with their stakeholders, fostering a sense of shared responsibility for the universities success. This collaborative approach not only enhances trust but also opens up new avenues for funding. By understanding the needs and aspirations of the society, universities can tailor their programs to create value, thereby attracting support from various sectors. Ultimately, a sustainable funding model is about creating a resilient organization that can adapt to changing circumstances while remaining true to its mission (Egbe, 2019).

Ekpoh & Okpa (2017) stated that to establish a sustainable funding model, universities must identify and cultivate diverse revenue streams. Relying on a single source of income can be risky, especially in times of economic uncertainty. Therefore, universities should explore various avenues for generating revenue, including social enterprises, fee-for-service models, and membership programs. For instance, a universities focused on environmental conservation might launch a social enterprise that sells eco-friendly products, with profits reinvested into their conservation efforts. This not only generates income but also raises awareness about their mission. Additionally, universities can tap into corporate sponsorships and partnerships as a means of diversifying their funding sources. Many organizations are eager to support universities that align with their corporate social responsibility (CSR) goals. By creating mutually beneficial partnerships, universities can secure financial support while providing companies with opportunities for community engagement and positive brand association. Furthermore, exploring grant opportunities from foundations and government agencies can also contribute to a more stable financial footing. By actively seeking out diverse revenue streams, universities can create a more resilient funding model that supports their long-term objectives. Strategic partnerships and alliances are essential components of a sustainable funding model for universities. Collaborating with other organizations, businesses, and community stakeholders can amplify a university impact while providing access to additional resources and expertise.

Nkpung (2018) opined that in today's digital age, leveraging technology and innovation is crucial for effective fundraising strategies. universities can utilize various online platforms to reach potential donors and engage supporters in new ways. Crowdfunding campaigns have gained popularity as a means of raising funds for specific projects or initiatives. By sharing compelling stories and utilizing social media to spread the word, universities can mobilize grassroots support and tap into a wider audience. For example, a universities focused on disaster relief might launch a crowdfunding campaign during a crisis, allowing individuals from around the world to contribute quickly and easily. Additionally, technology can enhance donor engagement through personalized communication and data analytics. By utilizing stakeholders relationship management (SRM) systems, universities can track donor interactions and preferences, allowing for tailored outreach efforts. This personalized approach not only strengthens relationships with existing donors but also increases the likelihood of repeat contributions. Furthermore, innovative fundraising events such as virtual galas or online auctions can attract participants who may not be able to attend in-person events. By embracing technology and innovation, universities can create dynamic fundraising strategies that resonate with modern audiences.

Purpose of the study

The purpose of the study is to determine the influence of sustainable funding model on effective management of state-owned universities in south-south geo-political zone of Nigeria, Nigeria. Specifically the study sought to

1. Determine the influence of diversification of Revenue Sources on effective management of state-owned universities in south-south geo-political zone of Nigeria.
2. Determine the influence of Public-Private Partnerships (PPPs) on effective management of state-owned universities in south-south geo-political zone of Nigeria.

Hypothesis:

1. There is no significant influence of diversification of Revenue Sources on effective management of state-owned universities in south-south geo-political zone of Nigeria.
2. There is no significant influence of Public-Private Partnerships (PPPs) on effective management of state-owned universities in south-south geo-political zone of Nigeria.

Methodology

The study made used of survey research design. Survey is used by the researcher to gain a greater understanding about individuals or group perspectives to the concept. The population of this study comprised all management staff of state owned universities in south-south geo-political zone of Nigeria. The information from state universities of Akwa Ibom, Bayelsa, Cross River, Delta, Edo and River State revealed that there are 226 management staff. The target population for the study is two hundred and twenty six (226) management staff for the 2024/2025 academic session (Registry Department, 2025). There was no sampling in this study as such census was rather employed. A census study is when the entire population of study is small and manageable, and as such, data were gathered on every member of the population. The numbers of respondents (management staff) were small and so every management staff was involved in the study. Each management staff provided information for his/her university.

A questionnaire titled "Sustainable Funding Model and Effective Management of State Owned Universities" was used for data collation and was validated by three research experts in measurement and evaluation in the Department Educational Foundation, University of Cross River State. It was tested for reliability using Cronbach Alpha reliability method, the Cronbach Coefficient obtained were .71 and .73 which indicated high reliability of the research instrument.

3. Presentation of Results

This section presents the results of data analysis obtained in the study based on each hypothesis as well as their interpretation. The hypotheses are tested at .05 level of significance.

Null Hypothesis 1: There is no significant influence of diversification of Revenue Sources on effective management of state-owned universities in south-south geo-political zone of Nigeria. The independent variable of this hypothesis was diversification of Revenue Sources while the dependent variable was effective management of state-owned universities in south-south geo-political zone. Simple linear regression statistics was used in testing the hypothesis and the results are presented in Table 1.

Table 1

Summary of data and simple linear regression analysis of the influence of diversification of Revenue Sources on effective management of state-owned universities in south-south geo-political zone.

R	R Square	Adjusted R Square	Std. Error of the Estimate
.092	.008	.006	7.79911

Model	Sum of squares	DF	Mean Square	F	Sig
Regression	262.361	1	262.361	4.313	.038*
Residual	30899.632	226	60.826		
Total	31161.992	226			

a. Predictors: (Constant): Diversification of Revenue Sources
b. Dependent Variable: Effective Management

The simple regression analysis in Table 1 on the influence of diversification of Revenue Sources on effective management in of state-owned universities in south-south geo-political zone produced an adjusted R^2 of .006. This implies that 6.0 percent of the variance can be predicted from the independent variable (diversification of Revenue Sources) in predicting p of effective management of state-owned. The F-value of the Analysis of Variance (ANOVA) obtained from the regression table was F = 4.313 having a p-value .038 with 1 and 226 degrees of freedom at .05 level of significance. The null hypothesis was rejected. This result therefore implies that diversification of Revenue Sources significantly predicted effective management of state-owned universities in the study area by 6.0 percent. The result therefore implies that there was a significant influence of diversification of Revenue Sources on effective management of state-owned universities in south-south geo-political zone.

Null Hypothesis 2: There is no significant influence of public-private partnerships (PPPs) on effective management of state-owned universities in south-south geo-political zone. The independent variable of this hypothesis was public-private partnerships while the dependent variable was effective management. Simple regression statistics was used in testing the hypothesis and the results are presented in Table 2.

Table 2
Summary of data and simple regression analysis on the influence of public-private partnerships (PPPs) on effective management of state-owned universities in south-south geo-political zone.

R	R Square	Adjusted R Square	Std. Error of the Estimate
.094	.009	.007	7.79747

Model	Sum of squares	DF	Mean Square	F	Sig
Regression	275.283	1	275.283	4.528	.034*
Residual	30886.709	226	60.801		
Total	31161.992	226			

a. Predictors: (Constant): public-private partnerships (PPPs)
b. Dependent Variable: Effectiveness Management.

The simple regression analysis in Table 2 on the influence of public-private partnerships (PPPs) on predicting effective management of state-owned universities in south-south geo-political zone produced an adjusted R^2 of .007. This implies that 7.0 percent of the variance can be predicted from the independent variable (public-private partnerships (PPPs)) in predicting effective management. The F-value of the Analysis of Variance (ANOVA) obtained from the regression table was F = 4.528 having a p-value .034 with 1 and 226 degrees of freedom at .05 level of significance. The null hypothesis was rejected. This result therefore implies that public-private partnerships (PPPs) significantly predicted effective management of state-owned universities in south-south geo-political zone by 7.0 percent. The result therefore implies that there was a significant influence of public-private partnerships on effective management.

Discussion of Findings

This section is devoted to the discussion of findings obtained in the study. The discussion was done according to each of the stated hypothesis.

Diversification of revenue sources and effective management

This research hypothesis which addresses the influence of diversification of Revenue Sources on effective management of state-owned universities in south-south geo-political Zone revealed that there is a significant influence of diversification of Revenue Sources on effective management of state-owned universities in the study area. The finding of this study is in agreement with Ekpoh & Okpa (2017) who noted that to establish a sustainable funding model, universities must identify and cultivate diverse revenue streams. Relying on a single source of income can be risky, especially in times of economic uncertainty. Therefore, universities should explore various avenues for generating revenue, including social enterprises, fee-for-service models, and membership programs. For instance, a universities focused on environmental conservation might launch a social enterprise that sells eco-friendly products, with profits reinvested into their conservation efforts. This not only generates income but also raises awareness about their mission. Additionally, universities can tap into corporate sponsorships and partnerships as a means of diversifying their funding sources.

Ekunke (2023) supported the finding that many organizations are eager to support universities that align with their corporate social responsibility (CSR) goals. By creating mutually beneficial partnerships, universities can secure financial support while providing companies with opportunities for community engagement and positive brand association. Furthermore, exploring grant opportunities from foundations and government agencies can also contribute to a more stable financial footing. By actively seeking out diverse revenue streams, universities can create a more resilient funding model that supports their long-term objectives. Strategic partnerships and alliances are essential components of a sustainable funding model for universities. Collaborating with other organizations, businesses, and community stakeholders can amplify a university impact while providing access to additional resources and expertise.

Public-private partnerships (PPPs) and effective management

The findings obtained from analysis and texting of hypothesis two which addresses the influence of public-private partnerships (PPPs) on effective management of state-owned universities revealed that the null hypothesis was rejected. This implies that there is a significant influence of public-private partnerships on effective management of state-owned universities in the study area. The finding of this study could be linked to the fact that public-private partnerships provides a platform for universities to generate more revenue that would help achieve the goals of teaching and learning. It has been observed that the public-private partnerships is still very low among universities within the study area. So many universities do not have sufficient money to embark on programmes that would increase revenue for the universities. The absence of public-private partnerships has continued to contribute ineffective management of the school system.

The finding of this study agrees with that of Agba (2024) who reported that for state universities to function maximally and produce quality graduates vice-chancellors must step up their leadership skills by providing innovative leadership that would take the universities from depending on traditional approached of funding universities with only government subvention to a more dynamic and sustainable means. State governments often underfund their universities, leading to shortages in resources, poor infrastructure maintenance, and difficulties in attracting and retaining qualified staff. The monthly subvention provided by state governments may not be sufficient to cover the universities' operational costs, including salaries, research, and infrastructure development. Many state universities lack adequate classrooms, laboratories, libraries, and accommodation facilities. This poor infrastructure negatively impacts the quality of teaching and research, and creates an unconducive learning environment for students.

Conclusion

Based on the results of the findings obtained from analysis of data and testing of hypotheses in the study revealed that there was a significant influence of diversification of Revenue Sources and public-private partnerships on effective management of state-owned-universities in the study area. It can be concluded that sustainable funding model significantly influence effective management state-owned-universities in the study area in terms of management and service delivery.

Recommendations

Based on the findings of the study the following recommendations were made:

1. School administrators should diversify school revenue based to reduce over dependence on government subvention for effective management of the university.
2. Administrators of universities should ensure that there is continuous partnership and collaboration with private organization to support the universities in area of need.

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