

Management Funding Strategies and Administrative Effectiveness of Private Universities in Ogun State, Nigeria.

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Abstract. This paper examined the relationship between Management Funding Strategies and Administrative Effectiveness of Private Universities in Ogun State. The design adopted for the study was descriptive survey research design. The population of the study were all the fifty (50) principal officers in the 10 approved private universities in Ogun State Nigeria. All the 50(100%) principal officers (Vice-Chancellors, Deputy Vice-Chancellors, the Registrars, the Bursars and the Librarians) who were referred to as the management team of these universities participated in the study. As a result of this, no sampling was carried out. Questionnaire tagged “Management Funding Strategies and Administrative Effectiveness Questionnaire” (MFSAEQ) were used to collect data. Inferential statistics (Pearson’s Product Moment Correlation and Multiple Regression) were used to test the six hypotheses at 0.05 level of significance.

Finding however indicated that income generated from tuition, income generated from Revenue Yielding Projects, Loan from Bank, and Income generated from Donation have significance relationship with Administrative Effectiveness ($r = 0.105$, $P < 0.05$), ($r = 0.356$, $P < 0.05$), ($r = 0.369$, $P < 0.05$), and ($r = 0.302$, $P < 0.05$) respectively. Findings also revealed that each of the independent variables covered in this study have individual effect on Administrative Effectiveness ($R^2 = 0.16$, $P < 0.05$). Findings

finally shown that there is a joint or composite significant effect of independent variables on Administrative Effectiveness ($F = 553.04$, $P < 0.05$). Based on the above findings, some of the recommendations made include; Private universities should increase the gap between the revenue generated from the school fees and the running cost of the university. Private universities should tackle funding challenges by establishing more revenue yielding ventures instead of depending on the income generated from the tuition fees.

Keywords: Management Funding Strategies, Administrative Effectiveness, Private Universities.

1. Introduction

The rationale for the provision of education is to provide a productive investment in human capital, and the provision of higher education is to prepare and equip the beneficiaries the stock of skills and knowledge to be useful to themselves and the nation at large. The Federal Government of Nigeria (2014) in the National Policy on Education states that Higher Education in Nigeria is expected to accomplish seven goals which are to; contribute to national development through high level relevant manpower training; develop and inculcate proper values for survival of the individual and

society; develop the intellectual capacity of individuals to understand and appreciate their local and external environment; acquire both physical and intellectual skills which will enable individuals to be self-reliant and useful members of the society; promote and encourage scholarship and community service; forge and cement national unity; and promote national and international understanding and interaction. Based on the above, one may infer that the importance of higher education has made the demand for university education increase over the years resulting in a very high percentage of unsatisfied demand every year, hence, this led to the establishment of Private Universities in Nigeria in the year 1999.

Private universities according to Varghese (2002) encompassing a broad range of institutions that are self-financing. Belfied and Lerin (2003) referred to Private Universities as non-public or independent universities who do not receive governmental funding and are usually administered by denominational or secular boards; others are universities operated for profit. Olaniyan (2001) also refers to private universities as those universities that are solely owned, financed and managed by private individuals with intention to recover cost in short time and make profit.

However, almost all nations of the world today are passing through a hard time of economic depression, austerity and inflation. Under such difficult economic conditions, educational institutions particularly Private universities are bound to experience dwindling and inadequate financial and material support from the public and private sectors. The situation of deep economic recession we face today poses great challenges to proper financing, management and administration of private universities in Nigeria. Idialu and Idialu (2012) opined that the expectation of producing educated persons for national and individual development is higher at the university level. He stated further that apart from the human resources, among the several factors which contribute to the achievement of the goals and objectives of universities, adequacy of funding has been identified as possibly the most crucial in maintaining and improving the quality of university education.

Private universities in Nigeria today are confronted with excessive inadequacy of infrastructure and facilities for teaching and research which have remained a cog in the wheel of effective administration of the system. This situation put the management of private universities in Nigeria under undue stress and as a result they are incapacitated in transforming the system towards effective teaching, research and community services.

2. Funding Strategies of Private Universities in Nigeria.

It is a general belief that the survival of any organization depends greatly on the amount of resources at its disposal. This is equally applicable to the school system, money is required to attract, retain and develop the staff, maintain the school plants and other materials for effective functioning of the school. Bamisaiye (1992) stated in a specific term that every school administrator requires sufficient money for carrying out thoroughly the following activities in the school; to integrate properly the human, physical and material resources in the school towards accomplishing the goals of the school; to provide and administer properly adequate welfare services, for the students; with astronomical increase in students' enrolment, sufficient money is required to expand the existing physical structures, put up additional buildings, maintain the entire plant and improve its aesthetic value, etc.

Private Universities are financed in several ways. Students of Private Universities pay school or tuition fees. The system relies heavily on tuition fees to meet their expenditure. The cost of running and sustaining private university is very high and may remain so because of the prevailing economic situation, this explains why tuition and other fees in private universities will keep on the increase because they have a commercial mindset, and thereby serve as a deterrent to many qualified candidates whose parents cannot afford the exorbitant school fees. Adepoju (2006) opined that students of secondary and post-secondary institutions in Nigeria are asked to pay school or tuition fees as examination fees, uniform fees, development

levy etc. He further that all these are possible ways through which funds for educational programmes can be raised to enhance administrative effectiveness of any institution.

Also, private universities embark on revenue yielding projects such as practical farming, poultry, bookshops, hotel and catering services, printing press, consultancy service, establishment of pre-primary, primary and secondary schools etc to generate funds. Such cooperative efforts according to Ijaduola (2002) have yielded impressive results. School halls, libraries and other developmental projects have been achieved by some private universities through such efforts. Adepoju (2006) also buttressed that proceeds from school projects is another possible source of financing educational programmes in Nigeria. He added that schools or institutions have established Consultancy services (such as Polyventure, U.I venture, OAU venture etc), bookshops, farm projects, catering services, Rental services and hotels. All these according to him have been yielding revenue for such schools or institutions and through this, many educational programmes have been executed and this had brought about effectiveness of administration of such institutions.

Private universities also borrow loans to execute their programmes. Loans borrowed from the banks by these private institutions have been used for developmental projects and payment of staff salaries. This has gone a long way to keep the system functioning till today. Akangbou (2006) reiterated that Nigeria Universities (Private Universities included) have taken loans from banks to pay salaries of the workers in the past and are repaid later.

Donation from individuals, charitable and non-governmental organization (NGOs) is another source of financing private universities in Nigeria. Generous members of the public who are individuals or corporate bodies according to Akinsuroju (2008) donate to private universities, colleges and other institutions of learning in Nigeria. He further that, private institutions themselves solicit for funds from graduates of their institutions, as well as from members of the

general public, Graduates and Alumni of private institutions at times donate monetary and materials to their alma-maters to enable them to engage in expansion projects, fund grants for research and development, and to enhance physical infrastructures and wealth of knowledge. All these strategies according to him have contributed to the administrative effectiveness of private institutions of learning in Nigeria in the past.

3. Statement of the Problem.

Funding of private universities particularly in Nigeria requires some strategies. It appears that authorities of some private universities are yet to discover other strategies apart from tuition fees. Even the effect of this is not felt in the day-to-day administration of the system. Income generated from tuition alone is not sufficient to run the system. As a result of this, management of these universities could hardly embark on developmental projects that could enhance effective teaching and research which determine the administrative effectiveness of any university. It is therefore the desire of the researcher to find out the correlational effects of Management funding Strategies on Administrative Effectiveness of Private Universities in Ogun State.

4. Hypotheses

The null hypotheses that will be tested in this study are:

HO₁: Income generated from tuition will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

HO₂: Income generated from Revenue Yielding Projects will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

HO₃: Loan from Bank will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

HO₄: Income generated from Donation will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

HO₅: Each of the independent Variables (tuition fees, Revenue Yielding Projects, Bank Loan and Income generated from Donation) will not have relative contribution to Administrative Effectiveness of Private Universities in Ogun State.

HO₆: There is no significant joint contribution of independent Variables (tuition fees, Revenue Yielding Projects, Bank Loan and Income generated from Donation) on Administrative Effectiveness of Private Universities in Ogun State.

5. Purpose of the Study.

The specific objectives of the study are:

- To investigate how Income generated from tuition exert influence on administrative effectiveness of private universities in Ogun State.
- To examine to the core and establish the kind of relationship existing between Income generated from Revenue Yielding Projects and administrative

effectiveness of private universities in Ogun State.

- To look at the impact that loan from the Bank will have on administrative effectiveness of private universities in Ogun State.
- To study indepth how Income generated from Donation contribute to administrative effectiveness of private universities in Ogun State.

6. Methodology

The study adopted a descriptive survey where no variable was manipulated or controlled but studied. The population of the study comprises all the fifty (50) principal officers in the 10 approved private universities in Ogun State Nigeria. All the 50(100%) principal officers (Vice-Chancellors, Deputy Vice-Chancellors, the Registrars, the Bursars and the Librarians) who were referred to as the management team of these universities participated in the study. As a result of this, no sampling was carried out.

List of Approved Universities in Ogun State and the years founded

S/N	Name of Private Universities	Years Established
1	Babcock University, Ilishan Remo	1999
2	Bell University of Technology, Ota	2005
3	Christland University, Abeokuta	2015
4	Christopher University, Ibokun Aro	2015
5	Covenant University, Ota	2002
6	Crawford University, Igbesa	2005
7	Crescent University, Abeokuta	2005
8	Hallmark University, Ijebu-Itele	2015
9	Mcperson University, Seriki Sotayo	2012
10	Southwestern University, Okun Owa	2012

Source: Ministry of Education, Ogun State, April 2017.

6.1 Instrument

The instrument used for the study was a questionnaire titled: Management Funding Strategies and Administrative Effectiveness Questionnaire (MFSAEQ) personally developed by the researcher which has five parts and designed on a 4-point Likert scale of Strongly Agreed (SA), Agreed (A), Strongly Disagreed (SD), and Disagreed (D).

6.2 Validity and Reliability of the Instrument

The validity of the instrument was established by experts and some eminent educationists. Instrument reliability was established with test-retest that gave $r = 0.82$. This shows that the instrument was reliable and can be used to carry out the study.

6.3 Analysis of Data

The retrieved questionnaires were analyzed using inferential statistics (Pearson’s Product Moment Correlation and Multiple Regression). This is to establish the relationship between pairs of variables and to determine the extent to which the combination of independent variable explains the dependent variable as well as the relative contribution of each of them to dependent variable, using 0.05 as level of significance.

7. Results and Findings

Hypothesis One: Income generated from tuition will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

Table 1: Correlation Analysis Result showing the relationship between income generated from tuition and Administrative Effectiveness of Private Universities in Ogun State.

Variable	N	Mean	SD	DF	R	P- Value	Remark
Tuition	50	14.23	5.42	46	0.105	0.007	Sig.
Administrative Effectiveness	50	10.34	4.16				

*Significant at 0.05 level of significance.

Table 1 reveals that there is a significant relationship between income generated from tuition and Administrative Effectiveness of Private Universities in Ogun State ($r = 0.105, P < 0.05$). Therefore, the null hypothesis is rejected.

Hypothesis Two: Income generated from Revenue Yielding Projects will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

Table 2: Correlation Analysis Result showing the relationship between income generated from Revenue Yielding Projects and Administrative Effectiveness of Private Universities in Ogun State.

Variable	N	Mean	SD	DF	R	P- Value	Remark
Revenue Yielding Projects	50	34.02	6.23	46	0.356	0.001	Sig.
Administrative Effectiveness	50	21.71	3.41				

*Significant at 0.05 level of significance.

Table 2 shows the null hypothesis is rejected at 0.05 level of significance ($r = 0.356, P < 0.05$). Therefore, there is significant relationship between income generated from Revenue Yielding Projects and Administrative Effectiveness of Private Universities in Ogun State.

Hypothesis Three: Loan from Bank will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

Table 3: Correlation Analysis Result showing the relationship between Loan from Bank and Administrative Effectiveness of Private Universities in Ogun State.

Variable	N	Mean	SD	DF	R	P- Value	Remark
Loan from Bank	50	34.46	6.16	46	0.369	0.003	Sig.
Administrative Effectiveness	50	26.43	5.28				

*Significant at 0.05 level of significance.

Table 3 indicates that there is a significant relationship between Loan from Bank and Administrative Effectiveness of Private Universities in Ogun State. ($r = 0.369$, $P < 0.05$). Therefore, the null hypothesis is rejected at 0.05 level of significance.

Hypothesis Four: Income generated from Donation will not have significant correlation with Administrative Effectiveness of Private Universities in Ogun State.

Table 4: Correlation Analysis Result showing the Relationship between Income Generated from Donation and Administrative Effectiveness of Private Universities in Ogun State.

Variable	N	Mean	SD	DF	R	P- Value	Remark
Donation	50	30.12	1.73	46	0.302	0.009	Sig.
Administrative Effectiveness	50	56.67	12.71				

*Significant at 0.05 level of significance.

The above table indicates the relationship between Income generated from Donation and Administrative Effectiveness. It shows that there is a positive significant relationship between Income generated from Donation and Administrative Effectiveness of Private Universities ($r = 0.302$, $P < 0.05$). This shows that Donation contributes to Administrative Effectiveness of Private Universities in Ogun State.

Hypothesis Five: Each of the independent Variables (tuition fees, Revenue Yielding Projects, Bank Loan and Income generated from Donation) will not have relative contribution to Administrative Effectiveness of Private Universities in Ogun State.

Table 5: Estimate of Relative Contribution of Independent Variables on Administrative Effectiveness of Private Universities in Ogun State.

Model	B	Std. Error	Beta weight	Rank	T	P-Value	R ²	Remark
Constant	26.208	4.108	-		5.122	0.001	0.16	
Tuition	0.648	0.013	0.332	1 st	4.361	0.001		Sig.
Revenue Yielding Projects	0.461	0.189	0.050	2 nd	2.685	0.005		Sig.
Loan	0.213	0.652	0.415	4 th	1.823	0.042		Sig.
Donation	0.263	0.370	0.448	3 rd	1.916	0.037		Sig.

Significant at 0.05 level.

Table 5 shows that Tuition fees made the greatest contribution to Administrative Effectiveness ($B = 0.648$), the second in the magnitude of these relative is Revenue Yielding Projects ($B = 0.461$), the third position is Income generated from Donation ($B = 0.263$) and followed by Loan from the Bank ($B = 0.213$) in that order. R^2 is 0.16 i.e. 16%, this implies that independent variables only accounted for 16% of variation that occur in dependent variable.

Hypothesis Six: There is no significant joint contribution of the independent variables (tuition fees, Revenue Yielding Projects, Bank Loan and Income generated from Donation) on Administrative Effectiveness of Private Universities in Ogun State.

Table 6: Regression Summary of the effect of Independent variables (tuition fees, Revenue Yielding Projects, Bank Loan and Income generated from Donation) on Dependent Variable (Administrative Effectiveness).

R = 0.842

R Square = 0.724

Adjusted R Square = 0.771

Std. Error of the Estimate = 2.66280

Model	Sum of Square	Df	Mean square	F	P-Value	Remark
Regression	47133.52	4	2558.88	553.04	0.001*	Sig.
Residual	251434.47	46	5.30			
Total	298567.99	50				

*Significant at 0.05 level of significance.

Table 6 shows that the four independent variables: Tuition fees, Revenue Yielding Projects, Bank Loan and Income generated from Donation have positive correlation with Administrative Effectiveness (R= 0.842). This means that the four independent variables are in good position to determine the Administrative Effectiveness of Private Universities in Ogun State. The variables further explain that about 77.1% of the total variation in independent variable(Adjusted R Square = 0.771). The adjusted R Square value of 0.771 revealed that the four variables accounted for 77.1% of the total variance in the dependent measure. The remaining 22.9% could be due to errors and factors that are not considered in this study. Hence, the computed joint effect of the independent variable on Administrative Effectiveness is significant.

8. Discussion of Findings.

The analysis in table 1 indicated that tuition fees has significant relationship with administrative effectiveness of Private universities in Ogun State. Tuition as highlighted by Adepoju (2006) in the review of literature has positive relationship with administrative effectiveness of Private universities in Nigeria. Where he opined that students of secondary and post-secondary institutions in Nigeria are asked to pay school or tuition fees as examination fees, uniform fees, development levy etc, all these are possible ways through which funds for educational programmes can be raised to enhance administrative effectiveness of any institution.

Table 2 revealed that Income generated from Revenue Yielding Projects have significant correlation with administrative effectiveness of Private universities in Ogun State. The finding supports the earlier findings of Ijaduola (2002) and Adepoju (2006) that schools or institutions

have established Consultancy services (such as Polyventure, U.I venture, OAU venture etc), bookshops, farm projects, catering services, Rental services and hotels. All these, according to him, have been yielding revenue for such schools or institutions and through this, many educational programmes have been executed and this had brought about effectiveness of administration of such institutions.

Table 3 indicates that Loan from Bank have significant correlation with Administrative Effectiveness of Private Universities in Ogun State. This perhaps correlates with the earlier study of Akangbou (2006) that Nigeria Universities (Private Universities included) have taken loans from banks to pay salaries of the workers in the past and are repaid later. Private organizations have also obtained loans to undertaken educational programmes to enhance administrative effectiveness of their organizations or institutions.

Table 4 shows that Income generated from Donation have significant correlation with Administrative Effectiveness of Private Universities in Ogun State. The finding was corroborated by Akinsuroju (2008) that generous members of the public who are individuals or corporate bodies donate to private universities, colleges and other institutions of learning in Nigeria. Private institutions themselves solicit for funds from graduates of their institutions, as well as from members of the general public, Graduates and Alumni of private institutions at times donate monetary and materials to their alma-maters to enable them to engage in expansion projects, fund grants for research and development, and to enhance physical infrastructures and wealth of knowledge. All these strategies according to him have contributed to the administrative effectiveness of

private institutions of learning in Nigeria in the past.

Table 5 established that each of the independent variables (tuition fees, Revenue Yielding Projects, Bank Loan and Income generated from Donation) has relative contribution to Administrative Effectiveness of Private Universities in Ogun State using multiple regression. Each of the variables mentioned in this study turned to have strong relationship with Administrative Effectiveness in terms of the magnitude of the weight of regression coefficient (Beta). The standardized regression coefficient (Beta) was used to determine the relative contribution each of the variables on Students' achievements. The significance of each variables contribution was also tested and all of them were significant at $P < 0.05$. This means that every school administrator requires sufficient money for carrying out thoroughly the following activities in the school; to integrate properly the human, physical and material resources in the school towards accomplishing the goals of the school; to provide and administer properly adequate welfare services, for the students; with astronomical increase in students' enrolment, sufficient money is required to expand the existing physical structures, put up additional buildings, maintain the entire plant and improve its aesthetic value, etc. This is in agreement with Bamisaiye (1992).

Table 6 attempted to establish relationship between each of the predictor variables and Administrative Effectiveness of Private Universities in Ogun State (Tuition fees, and Income generated from Revenue Yielding Projects turned to be the most powerful determinant of administrative effectiveness of private Universities in Ogun State in terms of the magnitude of the weight of regression coefficient). The analysis shows that there is a joint or composite significant effect of independent variables on Administrative Effectiveness. Since, the value of $F(538.04)$ is greater than the P value (0.001) at a significant level of 0.05, this leads to the rejection of null hypothesis and the acceptance of the alternative one. This is in agreement with Idialu and Idialu (2012) who

identified adequacy of funding as possibly the most crucial in maintaining and improving the quality of university education.

9. Conclusion

Management of private universities requires sufficient money for integrating properly the human, physical and material resources in the school towards accomplishing the goals of the institutions. This is evident from the study and the positions of various scholars. It is then envisaged that if private universities in Nigeria are to meet up to the mandate of contributing to the absorption of excess social demand for university education as saddled by the Federal Government of Nigeria, and to stand the test of time, it is high time for the Management Team of these universities to generate more funds through other strategies apart from the tuition fees.

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

- (i) Private universities should increase the gap between the revenue generated from the school fees and the running cost of the university.
- (ii) Private universities should tackle funding challenges by establishing more revenue yielding ventures instead of depending on the income generated from the tuition fees.
- (iii) The management team of private universities should acquire skills in adaption, and practice cost-reduction by improvising and experimenting with the available financial resources at their disposal.
- (iv) All income generation activities must be formalized and their proceeds officially receipted and put in a specific vote head. The income should be reflected on the monthly trial balance of the school to avoid embezzlement of the profits.
- (v) Checks and balances need to be put in place to ensure that the strategies adopted in generating income for the school do not interfere with core

objectives of the school. Any aspect of a strategy that can negatively impact on learning activities must be galvanized.

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