

# **Integrating Academic Management with Business Planning Activities: The Case of University of Education, Winneba (UEW), Ghana**

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## **Abstract**

Currently, public universities are facing chronic problem of underfunding. In a bid to explore more alternative and innovative ways of addressing such underfunding challenges, authorities of universities have sought to inject business activities into the management of the universities. They are now forced to search for additional sources of income from the market and serve market needs. They also commercialize some of their activities, services and programmes. This paper seeks to examine traditional role of universities and the need to inject business strategies or activities into the practices of higher education. It further highlights the positioning of the University of Education, Winneba in the market place and the challenges of integrating business planning activities in universities. It concludes on what needs to be done to make such intervention meaningful.

## **Introduction**

In recent times, universities have become complex organisations involved in many kinds of activities. Apart from their traditional missions of academic research and higher education, universities have assumed a number of new societal functions. As contemporary universities take on an increasing diversity of functions, they simultaneously suffer from a constant dearth of resources (Juumanen J.& Knuuttila, 2009). It is, therefore not surprising that universities now seek to renew their financial balance through contract resources, educational services, consulting and commercialisation of research results (Clark, 1998). The new role of universities in the knowledge economy and technology transfer has been conceptualised in terms of the hybridization of public academic work and private business activity.

On all fronts, there appears to be paradoxes and contradictions in the governance and management of universities. For instance, while public funding of universities is dwindling and universities are being urged to generate more income to supplement public budget, students and parents are complaining about increases in tuition fees (Effah, 2013).

## **Traditional role of universities**

Three traditional models have been used to describe higher educational institutions by various authors. The Garbage Can Model describes universities as organised anarchies (Cohen, March & Oslan, 1972); Weick (1976) referred to universities as the concept of loosely coupled systems while Mintzberg (1980), described it as a professional organisation. These models of description are useful and provide insight on universities and the peculiarities of academic institutions.

In an explanation of the models, Lutz (1982) was of the view that in organised anarchies, there will be loosely coupled distributed structures which inhibit economies of scale, have no transparent decision-making processes while difficulties are experienced in aligning all the different departments towards the goal of the organisation. According to De Boer, Enders & Leisyre (2007) they emphasise universities as "bottom heavy", which means that leadership is weak. Also, as highly complex organizations, the freedom and flexibility enable high diversity and excellent research result in uncertain environments. Lutz (1982) was quick to add that disadvantages included lack of accountability and limited emphasis on efficiency. Mintzberg (1982) observed that problems of coordination and misuse of professional discretion are issues in a professional organization.

Universities were understood as experiences of elite. They have increasingly become a normal part of the educational experiences of larger and more diverse student population (NEA Update, 2004). The evolution from elite service to mass accessible product has made universities comparable to public utility (Mitra 2009).

The traditional role of universities has appeared to be relatively limited both in terms of human resource development and in terms of direct knowledge contribution into innovation and development (& Yonezawa, 2012). Both the public and the private universities had paid little attention to income generation through commercial activities. Universities are now under further pressure not only for their traditional roles providing qualified human resources and research, but also a new importance has been attached to them with the emergence of their third mission to contribute to social and economic development through the

commercialisation of their activities.

The increasing diverse demands for new knowledge in the 1990s from industry, growing dependence on innovation and increasing student population for competitiveness have significantly and strategically strengthened institutional transformation. As universities have taken on an increasing diversity of functions, they simultaneously suffer from a constant dearth of resources. It is therefore no wonder that universities have sought to renew their financial balance through contract research, educational services, consulting and commercialization of research (Clark 1998).

### **Why the need to inject business strategies or activities into the practices of Higher Education**

The growing role of universities in the knowledge economy as well as technology transfer has been increasingly conceptualised in terms of hybridization of public academic work and private business activity (Tuunainen & Knuuttila, 2009).

The higher education institutions are either private or public. The private institutions generate money from fees and external aid, while public institutions get government grants as well as generating funds from fees and donors. As the demand for higher education increases, it presents educational entrepreneurs and managers with a challenge of making investment decisions by which they can attain desired financial goals without setting fees structures that are so exorbitant as to scare away potential customers (Kyonge, 2010).

Funding of tertiary education in Ghana has gone through several forms since independence in 1957. From that time to the mid 1970's, tertiary education was entirely funded by the government at no cost whatsoever to beneficiaries. Government grants to the institutions of tertiary education in the form of subventions of tertiary education covered tuition, boarding and lodging as well as development of infrastructural facilities. In the early stages, the grants were released in bulk for longer periods far in advance to enable proper planning of expenditure by the institutions to meet set targets. However, in the course of time, these arrangements fizzled out. Currently, subventions are no longer released in advance or in bulk but rather in arrears in respect of personnel emoluments and grants for development and rehabilitation of infrastructural facilities, equipment and other services are rarely released to the institutions.

Adu (2012) opines that the institutions in exploring sources of funding have in the past commercialized some of their services in order to raise revenue to supplement dwindling resources from their traditional sources. This is to invite the public to patronise the services of the printing press, bookshop, furniture making, products from their farms, University hospitals and consulting services.

According to Mitra (2009), universities all over the world have come under increasing pressures of the rapidly changing market environment. The unprecedented growth complications and competitiveness of the global economy along with its consequential socio-political changes have been creating pressures on higher education institutions for adopting market-oriented initiatives. He further observed that the gradual reduction of state funding is now forcing higher education institutions to search for additional sources of income from the market by providing additional services to interested clients, while strengthening the concept of market orientation. According to Dalgic (1998) market orientation expresses a marketing perception which puts the customer's needs in the centre of all firm's activities. In orientation mode, universities are required to generate additional revenue from market and hence they must serve market needs. Students are the major beneficiary of academic programmes of the university. As they choose a university for advancing their career prospect, the teaching programmes of the university must cater for the requirements of the students. In fact, the students' requirements must be respected and satisfied.

Mitra (2009) observes further that competition is an essential prerequisite in the free market economy. The universities that offer best higher education at lower cost will be more competitive and gain more reputation and acceptability to students and research clients. In this connection, the need to provide value- for- money services is crucial.

### **The positioning of the university in the market place: The case of UEW**

In the University of Education, Winneba (UEW) the operating policy is generally budget driven. The activities that can be carried out are always limited to availability of funds. Ghanaian public universities during the past decades have suffered a long period of underfunding accompanied by significant increases in student enrolment and UEW is no exception (Adu, 2012).

UEW in a bid to inject business activities into the management of the university has commercialised activities of some Departments and units. The commercialised departments and units include Department of Theatre Arts Education, Department of Music Education, Academic Affairs, and Halls of residence, University Farm, University bookshop, Food Production unit and Clothing production unit. Others include the University clinic, Audiology centre, Institute for Educational Research and Innovation Studies (IERIS), Computer Services and hiring of spaces as income generating activities. The Departments of Theatre Arts and Music Education for instance, organise live performance and concerts from time to time at a fee to the general public. Division of

Academic Affairs as part of the Registry also renders services at a fee to the students in the form of issuing certified true copies attestation, transcripts introduction letters and verification of other academic documents. The creation of IERIS became necessary as Ghana's educational system is increasingly seeking for innovative ways based on sound empirical research to address some national problems and accelerate national development. In this way, IERIS conducts research activities as per client requirement. Audiology Unit engages in assessing problems associated with hearing. The activities of such a centre can be widened in scope to include, organizing screening of school children of hearing problems, occasional washing of ears of various categories of children of school going age in the community. The centre can also organise testing and training programmes for teachers and attendants of basic schools. Currently, the Centre has a state of the art van to assist them in their work. The Unit can advertise their services to institutions and companies who will patronise their services.

In furtherance of these agenda, a Division of Halls and Commercialised Financial Management has been established at the Finance Section of the University. The Division exercises overall responsibility for the financial management of all the Halls of residence and commercialised departments and units of the university. The Division is currently in charge of four halls of residence, namely Aggrey, Ghartey, Simpa and the University hall. It is currently working towards the establishment of a fuel dump and a printing press at Winneba and Kumasi campuses of UEW to broaden its commercial activities.

### **Integrating business activities into the academic management of University of Education, Winneba**

UEW needs to strengthen what is being done already to ensure improvement in performance. The canteen facilities at both North and South Campuses of the University must be refurbished as soon as possible and handed over to the Food Production Unit of the Home Economics Department to operate. This will increase the commercial capacity of the Unit and hence the revenue base of the University. The food Production Unit of the Home Economics Department can also expand its theme “**Healthier Living**” to affect a larger public. This can be done by taking snack and packed lunch orders and other reservations from institutions and organizations within Winneba catchment area. Again, now that the Clothing Production Unit has procured industrial machines, they can seek for contracts from the private universities as well as the newly established public universities to sew academic gowns and other ceremonial clothes.

In addition, the Department of Agriculture Education can extend its landscaping services to individuals and organizations who are putting up new structures to generate more income for the department. Also, the Department of Crops and Soil Science Education can team up with the department of Agricultural Engineering and Mechanizations Education to produce quality and healthier fruits and vegetables by the use of the irrigation system all year round and hence generate income for the departments. The Crops and Soil Sciences Department needs to intensify its linkages with vegetable and arable crop farmers in and around Ashanti region through extension advice to farmers while offering training in new agricultural technologies to corporate bodies, institutions and individuals as income generating activities. The department can as well produce some of the crops in commercial quantities. Such crops may include maize, cocoa, oil palm, citrus, mangoes and coconuts.

Moreover, West African Examinations Council (WAEC) Results in the areas of English, Mathematics and Science show serious deficiencies in students in and around Winneba. The Departments of English, Mathematics and Integrated Science Education can team up to draw up an intervening programme in the form of remedial and refresher courses for both students and teachers at the basic and senior high schools to address such deficiencies.

Furthermore, the decision to establish a printing press in the university is a laudable one and must be pursued vigorously. Its establishment will augment the income generation capacity of the university. For instance, at the Registry, there are some fees that are not part of the traditional fees charged to students but are collected on daily basis by the university. These include fees for certified true copies of certificates, letters of introduction, transcripts, letters of attestation etc. The collection of these fees could be streamlined and strengthened. Specifically, the university can prepare students' copy of transcript and certified true copy of their certificate at a fee for students to pick them at graduation. This action will not only make the students attend graduation in their numbers but it will also enhance the university's performance, goodwill and internally generated income.

Beside, the construction of fuel dumps at Winneba and Kumasi campuses of the university will also be welcoming news. This is because the university itself consumes great amount of fuel on daily basis. As the university commercializes these pumps, it will constitute a possible source of financial resource to the university.

Invariably, the state of the University Bookshop leaves much to be desired. Elsewhere, the bookshop is a potential commercial venture and therefore brings a lot of revenue to the University. The UEW's bookshop can be given the needed facelift in order to attract the public to patronise the services. This can also be a potential source of providing substantial amount of revenue.

Moreover, the expansion of the university farm to accommodate more birds, cattle, goats and sheep can also be a useful venture. The dilapidated facilities can be upgraded and electricity extended to the facility to

enable the farm produce to serve both the university staff and the general public.

Additionally, the facilities at the University Clinic and Centre for Hearing and Speech Services can be improved to enable them extend their services to the wider public at a fee.

Again, since the University has a strong service programme for supporting Pre-School teachers, the Department of Early Childhood may use this as an opportunity to prepare Early Childhood Education textbooks at no commercial interest initially. After a certain time, the University may receive all profits from the sales. This model can then be adopted at the University for Production of other textbooks and educational materials.

Another area which is worth noting is software development. The Information Technology development could also through their research, develop online assessment tools for both staff and students. Graduate students may perform updates and upgrades. The students may be paid from the proceeds. Though not a big money producer, it may give a high visibility for the University in the market.

Last but not the least, now that there is high patronage for hall accommodation, the University can expand hall facilities by building additional structures to augment the number of rooms in order to enhance revenue.

### **Challenges of integrating business planning activities in universities**

The introduction of business planning activities in universities may result in short sighted decisions. Since the effectiveness of a teaching programme cannot be tested immediately, some universities may sell their education programmes by lowering the quality of education in order to generate more revenues. That is, the universities may resort to courses with less academic rigour with the sole aim to exploit high market demand for higher education. In some instances, academic semester could be reduced drastically as low as without considering the course content and minimum course credit hours.

The probability of universities charging very high fees disproportionate to facilities offered to students is another cause for concern. Charging high fees as a form of generating additional revenue from the public has its own challenges. The short term profitable motives usually predominates decision making process. This can weaken basic reason for the establishment of the university.

Business planning activities may also lead to vicious competition among institutions of higher learning. This could come in the form of advertisement to lure students by giving them colourful advertisement, hiding the university's shortcomings.

### **Conclusion**

In today's higher education scenario, the best option to get rid of funding pressure is to generate revenue from market sources by providing additional services to the interested clients. The University can design and deliver industry related training programmes on selected topics for company Executives, the corporate clients to enhance their knowledge base. It can also offer the short and long term management development programmes and even provide consultancy support to the clients. The University departments can also conduct research activities as per client's requirement.

Universities that offer best higher education at lower cost will be more competitive and gain more reputation and acceptability to students and research clients. Universities must pay more attention to improve their efficiencies and reduce wasteful expenses and UEW is no exception.

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