

ASSESSING THE FINANCIAL HEALTH OF SELF-FINANCED PROFESSIONAL EDUCATIONAL INSTITUTIONS IN AHMEDNAGAR DISTRICT: A PILOT STUDY

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ABSTRACT

This pilot study assesses the financial health of self-financed professional educational institutions in Ahmednagar district, Maharashtra, India. A mixed-methods approach was employed, combining both quantitative and qualitative data collection and analysis methods. The study sample consisted of 30 self-financed professional educational institutions, and data was collected through a survey questionnaire and in-depth interviews with institutional leaders. The findings reveal that these institutions face significant financial challenges, including limited financial resources, high operating costs, and inadequate financial planning. The study also identifies key factors influencing the financial health of these institutions, including institutional characteristics, management practices, and external environmental factors. The study's results have implications for policymakers, institutional leaders, and stakeholders seeking to improve the financial sustainability of self-financed professional educational institutions in India.

Keyword: Financial Health, Self-financed Professional Educational Institutions, Mixed-methods approach.

In the past decades, the significance of education in the Indian market has witnessed an impressive growth due to the ever-increasing trend and needs towards quality education. The first force can be identified as the increasing trend and needs toward quality education. unaided private professional colleges have been stepping forward to address these needs with different programs in engineering, administration and computer sciences including computer and management application programs. These institutions have however become connected to a host of factors such as cut-throat competition, inadequate resources and high cost of operation.

For self-financed professional educational institutions, assessing their financial health is fundamental to making sure that they remain

in the business and expand further. This ability has been, and continues to be, critical to the accomplishment of educational and administrative functions in any institution. It allows educational institutions to finance the construction of buildings, improvement of teachers' qualification, additional services for students and, consequently, the level of education provided.

There is a gap in research about professional self-financed educational institutions in India with specific focus on their financial health. Existing studies have mainly centered on the financial management of these institutions without adequate emphasis on their financial management. To fill the gap, this pilot study examines the financial health of self-financed

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professional educational institutions based in the Ahmednagar district.

Assessing the financial health of self-financed professional educational institutions is the critical aspect for growth and sustainability. These types of institutions play a vital role in providing excellence education, but this institution is facing significant financial challenges that can affect their administrative and academic goals. This literature review provides a significant overview of the existing literature research of self-financed professional educational institutions to focus on financial management practices, financial performance and challenges.

Financial Management Challenges Faced by Self-Financed Professional Educational Institutions

Self-financed professional educational institutions suffer from a number of financial management problems affecting growth and sustainability. As stated, Kumer, (2018) Self-financed strategy can clearly be defined. some of the more challenging areas to be confronted with regards to financial management amongst the identified professional educational institutions.

Pensions being expensive, hence have a high cost of operation, have limited funding and are greatly competing with other pensions. The study further emphasised the context that financial management practices should protect the growth and sustainability. Additional study by Sharma (2020) analysed the financial management challenges facing self-financed professional educational institutions. This study focuses on Self Finance Professional educational institutions facing different challenges including high cost of infrastructure limited funding and limited financial resource.

Financial Management practices in Self-financed Professional Educational Institution

Efficient and Effective financial management practices are playing a very important role for the growth and sustainability of self-financed professional educational institutions. A study by Jain (2019) examined the financial management practices of self-financed professional educational institutions in Gujarat state. This study found different best financial management practices, including budgeting, resource allocation and cost control,

Additional study by Singh (2020) examined the financial management practices of self-financed professional educational institutions in Punjab state in India. This study examined that these self-financed professional educational institutions use various financial management tools and techniques including budgeting, financial reporting and financial planning.

Financial Performance of Self-Financed Professional Educational Institutions

The financial performance of self-financed professional educational institutions is an important element of producing and consolidating their growth and sustainable development. Gupta (2019) did a quantitative study to analyse the financial performance of Private, self-financed professional educational institutions in Delhi. The authors POS concluded that these institutions cannot raise a lot of money and therefore they cannot afford to allocate it on faculty student development, services, infrastructure and renovation of existing structures.

This framework has been analysed by Rao (2020) where to discuss the financial performance of self-financed professional educational institutions in Andhra Pradesh The

implementing institutions in Andhra Pradesh are explained in this chapter along with the type of projects being implemented to reduce carbon emissions. This study also postulated that these institutions are experiencing some form of challenge, like inadequate funding, high operation costs and inadequate funding.

Although there is a considerable amount of research on the financial health of professional educational institutions in Ahmednagar district, there is a gap in the literature regarding the financial health of these institutions. The current study is intended to address this knowledge gap by examining the financial sustainability of self-financed professional educational institutions in Ahmednagar.

Methodology

Objectives of the Study

1. To assess the financial management practices of self-financed professional educational institutions in the Ahmednagar district
2. To examine Financial Management Practices of self-financed professional educational institutions

Hypotheses of the study

Research Objective 1: To assess the financial management practices of self-financed professional educational institutions in the Ahmednagar district

Null Hypothesis (H0)-The financial management practices of self-financed professional educational institutions in the Ahmednagar district are ineffective.

Alternative Hypothesis (H1)- The financial management practices of self-financed professional educational institutions in the Ahmednagar district are effective.

Research Objective 2: To examine Financial Management Practices of self-financed professional educational institutions

Null Hypothesis (H0)-The self-financed professional educational institutions do not have effective financial management practices.

Alternative Hypothesis (H1)- The self-financed professional educational institutions have effective financial management practices.

Significance of the Study

Through this pilot research, more insight of how self-financed professional educational institutions manage their finances for Ahmednagar district will be gained. The outcome of this research will assist those in charge of institutions, policymakers and researchers in working out and implementing appropriate strategies towards the financial management of these institutions for growth and sustenance.

Research Design

This research pilot project implements a dual-methods structure which integrates quantitative surveys and qualitative assessments throughout all data collection sessions.

- **Study Area**- Researchers have selected Ahmednagar district in Maharashtra, India as the setting for this study.
- **Population and Sample**- Self-financed professional education institutions operating in Ahmednagar district make up the total sample pool for this study. Stratified random sampling will be used for selecting 30 institutions in this analysis.

Self-Finance Professional Educational institute in Ahmednagar district are selected for Study. There are 34 Self Finance Professional Educational Institutes Selected for Study.

Sr. No	Self-Finance Educational Institutes	No of Colleges (Population)	Number of SFEI Selected for Study (Sample)
1	Management (MBA)	10	10
2	Engineering (B.E)	12	12
3	Pharmacy (B. Pharm)	12	12
Total Number of Self-Finance Educational Institutes		34	34
Total Number of Percentage Self-Finance Educational Institutes		100 %	100 %

For the pilot research, ten MBA, twelve engineering, and twelve pharmacy colleges are being considered.

(i) Data Collection

- **Quantitative Data:** A standardized survey instrument will obtain numerical data from various education institutions. The questionnaire will be divided into sections to gather information on:
 1. Institutional characteristics
 2. Financial management practices
 3. Financial performance
 4. Efficacy of factors
- **Qualitative Data:** Semi-structured interviews targeting accountant, principal/director and Management members of educational institutions will generate qualitative information. The interviews will focus on:
 1. Perceptions of financial management practices
 2. Challenges faced in financial management
 3. Strategies for improving financial health

(ii) Data Analysis

- **Quantitative Data:** Standard descriptive metrics including mean value and median results and standard deviation measures will analyze and summarize numerical data. Researchers will analyze variable interrelations using inferential statistical techniques which include correlation and regression analysis.
- **Qualitative Data:** The researcher will conduct thematic analysis on qualitative information. The researchers will transform the gathered data before identifying major themes to unveil the deepest understanding of institutional leader perceptions and experiences.

(iii) Ethical Considerations

The study design follows ethical standards during execution. Research participants must receive information about study objectives together with consent processing for enrollment. During the entire research period confidentiality and anonymity protections will stay active.

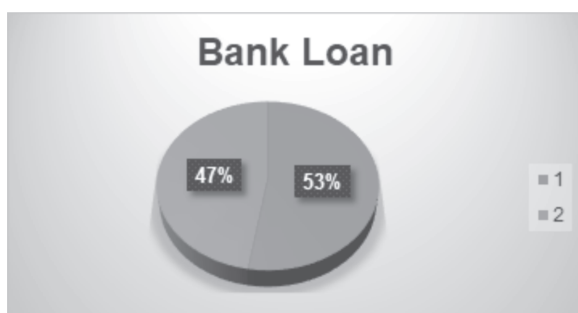
1. Data Analysis

A. Demographic

Table 1. Demographic Profile

Demographic Profile		Frequency	Percentage (%)
Type of Institute/ College	D.Engg	22	19.82
	D.Pharm	23	20.72
	MCA	5	4.5
	MBA	15	13.51
	B.E	10	9.01
	B.Ph	36	32.43
Respondent Designation	Total	111	100%
	Accountant	111	33.33
	Principal / Director	111	33.33
	College Management	111	33.33
Existence of College	Total	333	100%
	Less than 5 Years	43	38.74
	Between 5 to 10 Years	51	45.95
	Between 10 to 20 Years	11	9.91
	More than 20 Years	10	9.01
Location of College	Total	111	100%
	Urban	8	7.21
	Semi-Urban	47	42.34
	Rural	56	50.45
NAAC / NBA Accreditation	Total	111	100%
	A	8	7.21
	B	47	42.34
	C	7	6.31
	D	49	44.14
Total Number of Working Staff	Total	111	100%
	Less Than 50	76	68.47
	Between 50 to 100	17	15.32
	More than 100	18	68.47
Whether having Bank Loan for the Institute?	Total	111	100%
	Yes	97	87.39
	No	14	12.61
	Total	111	100%

The results obtained from the survey of the colleges provide meaningful information about their demographic nature and the overall structure within which they function. By type of institute, the result shows that B.Ph is pursued most by 32.43% of the respondents, followed by respondents who are currently studying D.Ph, 20.72%. The rest of the categories include Engineering (D.Engg), MBA, and MCA with the MCA having the least percentage of 4.5%.



By designation, the respondents are categorized in accountants, principals and college management, each forming a third of the sample size. Such a distribution can provide an organisation's point of view of the ways in which the college functions.

While evaluating the existence of the colleges, most (45.95%) have been in existence for between 5-10 years and 39.64% of them have been in the colleges for less than 5 years.

of the total, only 3228 or 9.91% have been in the business for 10-20 years while a mere 2520 or 9.01% have been in business for more than 20 years, which was taken as an indication of increased establishment of new hotels.

From the geographical distribution it is clear that the colleges are concentrated more in the rural (50.45%) and semi urban (42.34%) area, thus underlining the probable strategic plan of guiding education to less populated areas.

According to accreditation status, respondents in Grade B dominate the largest proportion (42.34%) while the remaining proportion is in Grade D (44.14%). This indicates that there is a variety of performance with regards to compliance with academic standards, while a large portion of them is still below the highest tier.

Sorting institutions by staff size, 68.47% of institutions had 50 employees or less, with only a small percentage of companies in the higher employee categories., among all the financial operations, 87.39% of the colleges have availed banking loans showing the dependence of collage for sustainable and future development.

In conclusion, this demographic view disclose that the colleges, both public and private, have different types and accreditations, working in several years and in various geographical locations, and are staffed with diverse personnel, a detail that underlines the dynamics and problems of the higher education environment.

B. Financial Management Practices

(a) General Financial Management (GFM) Practices

Table 2. Descriptive Statistics General Financial Management (GFM) Practices

		Statistics									
		Lack of professional approach	Poor work environment	Low pay scales of staff	Lack of training	Clashes between orthodox and modern accountants	Problems with computerization	Absence of expert advice	Cynical attitude of management	Office politics	Inadequate staff
N	Valid	34	34	34	34	34	34	34	34	34	34
	Missing	0	0	0	0	0	0	0	0	0	0
	Mean	1.74	1.68	1.76	1.82	1.47	1.68	2.00	1.91	1.74	1.59
	Median	1.00	1.00	1.00	1.50	1.00	1.00	1.50	1.00	1.00	1.00
	Mode	1	1	1	1	1	1	1	1	1	1
	Std. Deviation	1.109	1.173	1.075	1.086	.929	1.121	1.326	1.264	1.189	.957
	Minimum	1	1	1	1	1	1	1	1	1	1
	Maximum	5	5	5	5	5	5	5	5	5	5

Interpretation of Mean

The average mean (Avg. Mean) of General Financial Management (GFM) is 1.745. This value of the 5-point Likert scale is (where 1=Very weak, 2=Weak, 3=Somewhat OK, 4=Strong, 5=Very strong). This suggests that, on average, respondents tend to have weak opinions about financial management practices.

Interpretation of Standard Deviation

The average standard deviation of General Financial Management (GFM) is 1.0451. This value indicates a moderate level of variability

in responses. A standard deviation of 1.0451 suggests that most respondents' responses are grouped around the mean, yet there is still some variation in opinions.

Overall Interpretation

The results indicate that institutions may be required to enhance their general financial management practices. The moderate standard deviation indicates that there is a chance of improvement, and institutions can benefit from implementing more effective financial management strategies.

(b) General Financial Management (GFM)-Long Term Funding Practices**Table 3. Descriptive Statistics Long Term Funding Practices**

		Statistics									
		Robustness of system	Number of sources	Timing of availability of long-term funding	Simplicity in practices	Offering of security	Data submission	Legal Procedures	Costs involved	Expertise available with institution	Support from Head Office
N	Valid	34	34	34	34	34	34	34	34	34	34
	Missing	0	0	0	0	0	0	0	0	0	0
	Mean	2.03	1.94	1.82	2.06	1.94	2.15	2.00	1.82	2.12	2.18
	Median	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Mode	2	2	2	2	2	2	2	2	2	2
	Std. Deviation	.797	1.013	.904	1.127	1.043	1.105	.853	.869	1.175	1.114
	Minimum	1	1	1	1	1	1	1	1	1	1
	Maximum	5	5	5	5	5	5	5	5	5	5

Interpretation of Mean

The average mean (Avg. Mean) of Long-Term Funding Practices (LTFM) is 1.89. This value of the 5-point Likert scale is (where 1=Very weak, 2=Weak, 3=Somewhat OK, 4=Strong, 5=Very strong). This suggests that, on average, respondents tend to have weak opinions about Long-Term Funding Practices.

Interpretation of Standard Deviation

Long-Term Funding Practices (LTFM) have an average standard deviation (Avg. Std dev) of 1.19. A moderate to high degree of response variability is indicated by this value. Although the

majority of respondents' replies appear to be clustered around the mean, a standard deviation of 1.19 indicates that there are still differing viewpoints.

Overall Interpretation

The results indicate that while there is a small improvement in respondents' observations of their institution's long term general financial management practices, there is also a chance of improvement. The moderate standard deviation means that change for the better is still possible and institutions could possibly provide better financial management for funds and financial resources.

(c) General Financial Management (GFM)-Short Term Funding Practices

Table 4. Descriptive Statistics Short Term Funding Practices

Statistics											
		Robustness of system	Number of sources	Timing of availability of long-term funding	Simplicity in practices	Offering of security	Data submission	Legal Procedures	Costs involved	Expertise available with institution	Support from Head Office
N	Valid	23	23	23	23	23	23	23	23	23	23
	Missing	0	0	0	0	0	0	0	0	0	0
Mean		1.70	2.04	1.74	2.09	1.87	2.00	1.87	2.00	2.09	2.17
Median		1.00	2.00	1.00	1.00	2.00	1.00	1.00	2.00	2.00	2.00
Mode		1	1	1	1	1 ^a	1	1	1	1	1
Std. Deviation		1.185	1.261	1.096	1.443	1.140	1.314	1.290	1.279	1.240	1.337
Minimum		1	1	1	1	1	1	1	1	1	1
Maximum		5	5	5	5	5	5	5	5	5	5

a. Multiple modes exist. The smallest value is shown

Interpretation of Mean

General Financial Management's average mean is 1.87. This is a 5-point Likert scale of values (1=Very weak 2=Weak 3=Somewhat OK 4=Strong 5=Very strong). This implies that respondents in general have negative perceptions or neutral feelings about the preparedness of

their institution for effective Short Term Funding Practices management.

Interpretation of Standard Deviation

Short Term Funding Practices has a mean standard deviation of 1.17. This value shows a moderate to high degree of variation in the responses. Respondents' answers are dispersed

meaning that there is variation in opinion on the efficiency of the overall financial management practices in the institution with the standard deviation of 1.17.

Overall Interpretation

The findings indicate that benchmarking

of general financial management practice is still weak among institutions. The findings have a moderate to high SD suggesting that there are calls for adjustment as the institution's many stakeholders within and outside the institution.

C. Problems with Financial Management Practices (FMP)

Table 5. Descriptive Statistics Problems with Financial Management Practices (FMP)

		Statistics									
		Lack of professional approach	Poor work environment	Low pay scales of staff	Lack of training	Clashes between orthodox and modern accountants	Problems with computerization	Absence of expert advice	Cynical attitude of management	Office politics	Inadequate staff
N	Valid	34	34	34	34	34	34	34	34	34	34
	Missing	0	0	0	0	0	0	0	0	0	0
Mean		1.74	1.68	1.76	1.82	1.47	1.68	2.00	1.91	1.74	1.59
Median		1.00	1.00	1.00	1.50	1.00	1.00	1.50	1.00	1.00	1.00
Mode		1	1	1	1	1	1	1	1	1	1
Std. Deviation		1.109	1.173	1.075	1.086	.929	1.121	1.326	1.264	1.189	.957
Minimum		1	1	1	1	1	1	1	1	1	1
Maximum		5	5	5	5	5	5	5	5	5	5

Interpretation of Mean

The average mean of the analysed component – Problems with Financial Management Practices is 1.75. This value is below the scale midpoint of a general 5-point Likert scale values that range from 1 - Very severe, 2- Severe, 3-Neutral, 4-Not much of a problem, 5-Not a problem at all. This means that, generally, the respondents will on average disagree with the efficiency of their institution regarding the overall financial management regimens.

Interpretation of Standard Deviation

The standard deviation of GFM is approximately 1.13. The value expressed herein shows a moderately high level of fluctuation in the answers. A measure of 1.13 shows that the

respondents' answers are somewhat spread out implying that there are differences in perceptions towards effectiveness of the institution's general financial management practices.

Overall Interpretation

The outcomes present that institutions require enhancing general methods of monetary management and control in detail. The moderate standard deviation suggests that it is necessary for the institutions to take into account opinions and concerns of their stakeholders for enhancing the field of practice of financial management.

Findings of The Study

Demographic Characteristics of Colleges

- **Type of Institution:** The highest number

of students selected (32.43%) were in (link unavailable) while (link unavailable) came in second with 20.72% alongside Engineering (D.Engg), MBA and MCA having 4.5% each.

- **Designation:** The analysis sample included respondents in equal proportions as accountants and principals and college management teams.
- **Existence of Colleges:** An analysis reveals that 45.95% of participating institutions operate from 5-10 years but 39.64% have established operations within less than 5 years.

Geographical Distribution and Accreditation Status

- **Geographical Distribution:** The major educational institutes in India operate out of rural communities (50.45%) together with semi-urban areas (42.34%).
- **Accreditation Status:** Grade B respondents represent the sample's biggest segment (42.34%) and Grade D respondents occupy 44.14% of the total count.

Staff Size and Financial Operations

- **Staff Size:** The organizations surveyed have 50 workers or fewer staff within their workforce (47 percent).
- **Financial Operations:** A banking loan facility exists in 39% of institutions which demonstrates financial necessity for continuing development activities.

General Financial Management (GFM)

- **Weak Financial Management Practices:** The results from GFM show that participants scored an average of 1.745 on the scale indicating their negative view toward financial management practices.

- **Moderate Variability:** Responses regarding GFM show moderate variability according to its standard deviation of 1.0451.

Long-Term Funding Practices (LTFM)

- **Weak Long-Term Funding Practices:** Survey results show weak opinions towards long-term funding practices because respondents scored an average 1.89 on the mean scale.
- **Moderate to High Variability:** The standard deviation value of LTFM measures 1.19 which points toward a mixed variability level.

Short-Term Funding Practices (STFM)

- **Negative Perceptions:** Research participants registered a mean score of 1.87 on STFM which demonstrates both negative attitudes and neutral feelings regarding their institution's readiness for efficient short-term funding practices management.
- **Moderate to High Variability:** STFM ratings demonstrate medium to high levels of response distribution with a standard deviation rate at 1.17.

Problems with Financial Management Practices

- **Inefficient Financial Management Practices:** The 1.75 average mean score for Problems with Financial Management Practices shows a majority of respondents disagreeing about their institution's operational financial managing effectiveness.
- **Moderate Variability:** Results show a moderate response distribution for Problems with Financial Management Practices with an average standard deviation of 1.13.

Suggestions

Here are some suggestions based on the findings:

a) Institutional Level

1. **Improve Financial Management Practices:** Ongoing financial management needs improvement by institutions through enhanced practices of budget planning and forecasting together with better reporting.
2. **Develop Long-Term Funding Strategies:** Institutions need structuring multi-year funding methods that lessen their borrowing dependence on banks.
3. **Enhance Short-Term Funding Practices:** Institutions must optimize their current financing approaches to maintain proper financial resource management.

b) Policy Level

1. **Establish Regulatory Framework:** Self-financed institutions must operate under a government-implemented framework which ensures full transparency and accountability within their financial business operations.
2. **Provide Financial Support:** The government must offer monetary backing to self-financed institutions which enables them to strengthen their financial implementation processes.
3. **Accreditation and Quality Assurance:** Educational institution accreditation agencies must establish financial management practices as a mandatory criterion because it helps institutions keep their financial management activities at high standards.

c) Capacity Building

1. **Training and Development:** Institutions must develop and support training sessions for financial managers and their employees to get better at financial management.

2. **Mentorship Programs:** Financial institutions should organize mentorship initiatives which connect senior financial managers with entry-level colleagues for specific guidance.
3. **Financial Management Software:** Institutions can increase efficiency by implementing financial management software which helps them streamline central financial management processes.

Conclusion

The research demonstrates that Ahmednagar district's self-financed professional educational institutions require better financial management practices. The research data demonstrates that institutions maintain weak financial management standards while showing average to significant variations in their practices. The research shows the requirement for long-range funding systems in parallel to enhancing present funding practices and strengthening the financial operations competencies of institutional personnel. The government has a partnership with accreditation agencies to establish openness and responsibility standards for financial administration within autonomous educational institutions. The research investigation reveals essential financial management practices for self-financed professional educational institutions in addition to specifying areas which demand improvement

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