IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

COST MANAGEMENT IN HIGHER EDUCATIONAL INSTITUTIONS WITH SPECIAL REFERENCE TO BENGALURU.

Ms. Aruna Bhaskar; Ms. Lavanya K. N
Associate Professor; Assistant professor
Mount Carmel College, Autonomous; Mount Carmel College, Autonomous

ABSTRACT:
Cost is a very important integral component of any entity. Cost may be defined as the monetary value of all sacrifices made to achieve an objective i.e. to produce goods and services. The concept of cost is central to decision making in institutions specially in the service sector. The problem of limited resources available for education in relation to the enormity of the tasks involved in educational development has been receiving considerable attention in recent years. In this paper we try to suggest various techniques to reduce cost in HEIs.

INTRODUCTION:
India is a country with **1,043 universities, 42,343 colleges, and 11,779 stand-alone institutions** making it one of the largest higher education sectors in the world, according to the latest (2019–20) All India Survey of Higher Education Report (AISHE 2019–20).The main sources for the financing of higher education in India includes government funds, funds of self governing bodies, tuition fees, donations, scholarships, educational cess and so on.
In 2019-20, Rs 2,100 crore was allotted and Rs 1,277 crore used. In 2021-22, Rs 3,000 crore was allotted. The figure has now been revised to Rs 793.26 crore. RUSA is a centrally sponsored scheme aimed at providing funding to state higher and technical institutions.
The economics and cost management of higher education have become a matter of interest due to the increase in public choices and pressures for effective use of financial resources. The government has attempted to expand access, improve quality and increase participation in higher education to ensure the nation's competitiveness by improving the autonomy to better the higher educational institutions. Recently the government has implemented the National Educational Policy. The policy aims that the Indian higher education system will consolidate into a smaller number of institutions across the three types of HEIs and HEIs clusters for increasing the gross enrolment ratio paving way for Access, Equity, Quality, and Accountability.
In such a dynamic scenario the management of finances keeping the objectives of NEP in mind should be relooked from an organizational objective perspective. NEP provides "progressive regime of determination", empowering the private HEIs to set fees for their programmes independently, this freedom will come with a social responsibility of ensuring that at least 20% of students are able to attend through free ships and an additional 30% through significant scholarships. Reasonable recovery of cost without affecting quality and non commercialization of education will alone help growth of the institutions to meet societal requirements to empower India.

This research focuses on cost management to effectively and efficiently attain of institutional vision and missions, continuous improvement, and how good practice of cost management principles can be achieved.

REVIEW OF LITERATURE:
Cost efficiency of a system increases when its outputs increase with less than proportionate increase in inputs (Rumble, 1997).
In an era of increasing demands for education reform that is both scientifically based and cost-effective, cost analysis has become an important decision-making tool. In their review of the applications of cost analysis methods in education, Hummel-Rossi and Ashdown (2002) presented a compelling rationale for the increased use of these evaluative strategies.
Cohen and Ball (1999) offer a theory about instructional improvement based on the interactions among resources, rather than the introduction of new curriculum or instructional methods
According to Levin and McEwan (2001), cost analysis in education consists of four different approaches: cost-effectiveness, cost-feasibility, cost-utility, and cost-benefit
Resources An analysis of resources is time-intensive but critically important for cost analysis. One approach to calculating the costs of resources is the "ingredients" approach, a comprehensive method proposed by Levin and McEwan (2001). Ingredients include the following: • Personnel (teachers, support staff, aides, administrators, cafeteria workers, maintenance staff, counselors, mentors, coaches, consultants, special education service providers, curriculum supervisors, union representatives, and those providing various services from the district) • Facilities (classrooms, computer labs, shared spaces, buildings, grounds, heating/cooling, lighting, repairs, maintenance, and cleaning) • Equipment and materials (desks, chairs, white boards, curricular materials, computers, books, recreational equipment) • Other program inputs (dollars, data, data analysts, evaluators, consultants, project managers) • Required client inputs ("donated time" from teachers, students, parents, and other staff) asking teachers to invest their time in lesson study with colleagues must be compared with the other activities that the teachers could be doing instead that might improve educational outcomes

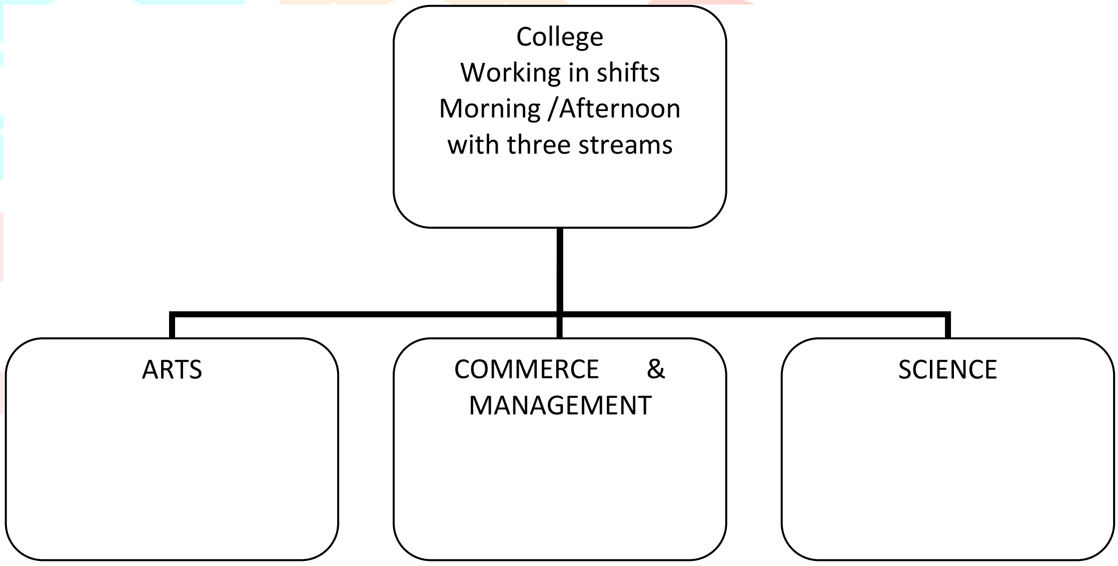
OBJECTIVES:
1. To assess the importance of cost management in education sector.
2. To provide effective cost management techniques to reduce cost and improvise revenue.

RESEARCH METHODOLOGY:
Secondary Data is considered in this research and relevant required information is taken from published sources mainly similar research articles.

DISCUSSION AND ANALYSIS:
Quote: *"If you think education is expensive try ignorance".*
Education in today's world is so complex that during the nationwide lockdown fast technological changes were adopted to make students adapt to hybrid way of learning. Prior to the pandemic scenario and post pandemic, an educational institution focuses on providing various common facilities like

- Infrastructure – common to all: library; transportation; hostel; canteen; internet; classrooms; auditorium; healthcare; sports ground; admin block; IT section; exam section for evaluation purposes; centres fir extended education; computer labs; on campus bank.
  Specific to few: Stream specific special labs
- Faculty – teaching ; non-teaching ; permanent and or visiting
- Partnership Programmes (MOUs)
- Extracurricular – field visits; conferences; webinars; Association activities

which definitely involves cost and an institution has to focus on managing the cost by meticulously catering to the new requirements. To illustrate say a college is working in shifts with different streams as given below will have to keep in mind the different aspects to stay competitive without disrupting the quality in providing education for overall development of students.



Any educational institution for that matter should focus on the following:

PROGRESS INDICATORS	STAKEHOLDER PERCEPTION	CORPORATE SECTOR	SOCIETY	INTERNAL INSTITUTION PERSPECTIVE	FINANCIAL PERSPECTIVE
• Enrollment over the years • Time duration taken for Degree completion • Pass rates in exams • Retention rates • Remedial activities • Job placement data • Faculty workload and productivity in the form of student/ faculty ratios	• STUDENTS Quality in education Proper placement Proper activity scheduling • FACULTY & STAFF Growth prospects hike in salary stability in job	• Recruitment	• overall contribution of the institution through Community Development Initiatives	• Training & Development of faculty • Use of Information Technology • Professional growth of faculty	• Growth • Survival • Value Enhancement Outcome Measures • Grants from Government

Considering the New courses, Syllabus, Pedagogy & Curriculum, Student Teacher ratio, Evaluation of student competency, Amount spent on training programs ,Number of IT based courses, IT training sessions of faculty ,Number of research papers published & presented in conferences & Seminars

to be introduced and the expenses involved for the same, the aim of the colleges and universities should be to provide transparency in the services, operations and finances for their stakeholders and society at large. Institutions are trying to enhance risk management through control over the ERP systems, policies and procedures, and to promote the importance of accountability .Within the organizations, management information system, performance management and cost review plays an integral role while working with the administrators, management and government boards to establish controls so as to derive the benefits in terms of achieving organizational goals and cost efficiencies. A SWOT analysis to improve the effectiveness of risk management, cost control and governance processes must include:

- Systems Evaluation – Assessing the control systems to support the achievement of the objectives
- Stock Evaluation – Regular stock check (library books, IT equipment, laboratory equipment, stationary, college furniture etc.)
- Compliance Evaluation – Relevant UGC norms followed or not.
- Contract Evaluation and Cost Review– Regular auditing, cost reviews of expenditure on institution infrastructure, staff payroll, administration etc.

WAY FORWARD-

Higher educational institutions should focus on fee determination based on the demand for a particular programme considering the cost factor of effectively delivering the knowledge.Academic Industry Interface should increase with due recognition to the Employability Levels of the Programmes.Scope must be extended for in house professionally qualified faculty to teach professional papers.Establishment of more Labs with proper Industry Collaboration which are user friendly and economical.Installation of Cost Drivers in all Labs with the latest upgraded technology soft wares to facilitate integration of all department functions in a single database.

Sports and Recreation equipments Installation must be based on Investment,Usage and outcomes measured.Salary determination should be based on the revenue generated by the staff.Insurance policies for the staff must become a norm. Finally Cost Audit should be made Mandatory.

Bibliography :

https://www.icmai.in/upload/Institute/Updates/Guidance_note_on_Cost_Management_in_Higher_Education.pdf
https://files.eric.ed.gov/fulltext/ED604568.pdf

.