CHAPTER-2

REVIEW OF LITERATURE

Literature review aims to review the critical aspects of existing knowledge by studying the theoretical and empirical contribution to the concerned topic and to study the findings thereof. The purpose of this chapter is to review the existing literature that relates to the objectives of the study. As per the objectives of the study the literature is divided into three domains: (i) financial management of colleges (ii) general management of colleges (iii) religiousness in educational institutions. The review of the relevant studies related to the research topic had been carried out and is given as follows:

Part I Studies related to Financial Management of Educational Institutions

A large number of studies, both descriptive and empirical, have been conducted regarding the various aspects of financial management of educational institutions. Review of these studies has been done to highlight the basic problems associated with the financial aspects of educational institutions.

First Education Commission (1948) was appointed to examine the condition of education in India and to provide recommendations for resuscitate for the ailing situation of education. This commission was chaired by Dr. Radhakrishnan. Main recommendations given by the commission were: (i) Financing of education sector should be responsibility of both state and central government and (ii) Universities should be established with the consent of the central government on the recommendations of the University Grants Commission. Some other recommendations were also made by commission like redefining goals and standards of education, courses and curricula, funding of educational institutions, faculty and their job conditions.

National Council of Education, Research and Training (1965) emphasized mainly on the financing of education particularly in the area of higher education. It commented that educational financing had been a major trouble in improvement of higher education. It also mentioned that India had not been spending sizeable amount of Gross National Product on financing of education like other developing countries.
Kothari Commission (1964-1966) was appointed under the chairmanship of Dr. D.S. Kothari, then chairperson of the University Grants Commission. The commission provided various recommendations relating to general principles and policies for the expansion and progress of various aspects of education at all stages of education. The commission hand over the many tasks to the educational institutions like transforming the social order to attain the goals of socialistic pattern in India. Report of the commission contains almost all aspects of higher education like financing, system, state and improvement of education at all stages.

Hills and Mahoney (1978) analyzed the relationship of budgeting decisions and availability of funds in the University of Minnesota of United States of America. Researcher had taken sample of only those departments and colleges which had submitted separate budget requests to and received separate budget allotment from the central administration during the study. These subunits were 30 in number. The study period was 1964-65 to 1974-75. Researcher concluded that the availability of resources in abundance or scarcity for distribution had a significant impact on process of budgeting. It had primary impact on budgeting decisions under the conditions of plentiful resources and relatively minor influence under the situation of scarcity of resources. According to researcher, relation between the resource availability and the consequent criteria of decisions proposed that influence of power is more useful as a defensive force during periods of critical resources than as suppressive force during phase of plentiful resources while allocation of discretionary budget increments for subunits.

Cameron (1981) identified domains that typify the colleges and universities and accessed the levels of effectiveness in each of those domains. Sample of 610 academic departments and 707 administrators had been taken. Researcher had found four domains of organizational effectiveness in institutions of higher education namely academic, morale, external adaption and extracurricular activities. Three implications were given by the researcher (i) organizational effectiveness is a multi-domain aspect (ii) when organizational effectiveness is viewed as a multi-domain aspect the relationships among the other organizational variables are altered. (iii) organizational effectiveness in external sphere may mitigate against effectiveness in internal domains.

Schick (1985) explained the objective criteria that administrators use to budget
the critical resources in an organization and he also tried to integrate the departmental and administrative perspective of budget system. Researcher explained that budget structure is an organizational variable that can be joined with the variables of resource allocator and resource recipient to elucidate budgeting decisions. Researcher concluded that (i) The criteria of goals that administrators exercise in budgeting differ across budgetary decisions; (ii) For the budgeting of scarce resources, the more critical the resources, the more use of objective criteria had been used in comparison to power and (iii) In the times of shortage, the relatively open budget system and more objective criterion had been utilized in relation to power in budgeting scarce resources.

New Education Policy (1986) assessed the present education scenario and looked into the financing of the education in India and it emphasized on expanding the facilities of the existing institutions. Under the New Education Policy, computer facilities and required staff was sanctioned to 93 universities. Policy recommended to promote distance learning education schemes so as to reduce the responsibility of government financing as distance learning system is generally self supporting. The main areas suggested by the policy were quality and job orientation in higher education.

Davis (1987) compared education expenditure with other social welfare areas of government expenditure. Researcher found that while decision-making for raising and management of funds, two dimensions namely external and internal exists in an institution (i) externally, authorities have to develop strategies to make the most efficient use of those funds and reconcile the claims of different interest groups within their own area of control. (ii) in internal dimension, higher education authorities tries to manage the system to create the output mutually compatible with the demand of those financing the system. According to the researcher the good management lies in the compatibility of external and internal sets of strategies.

Covaleski and Dirsmith (1988) designed the improvements in budgeting system and the creation of a new budget category at a state college in United States of America. Mainly two conclusions were drawn from the study: (i) inquisition provided strong confirmation to suggest that budgets can justify organization’s activities to the government and other organizations and (ii) interest of the key persons and group within the organization mainly form the contents of the budget.

McPherson and Schapiro (1990) examined the impact of external financial
support on the behavior of colleges and universities. Period of the study was 1978-1986. The final sample included the total 1934 educational institutions: 896 private four-year colleges and universities, 371 public four-year colleges and universities and 667 public four year colleges. The external funds in the study were of three categories (a) Federal financial aid (b) Direct State and local government support and (c) Government grants and contracts. Impact of each external fund category had been examined on the three different types of institutions. Study showed changes over time in tuition fee, institution specific scholarship aid, federal student aid, federal grants and contracts, state support and other variables. Thus changes in external funding sources showed significant impact on the institutional behavior which varies among private 4-year, public 4-year and public 2-year institutions. The results were shown as (i) Federal aid had no effect on the 4-year public institutions but it increased tuition of 4-year private institutions. (ii) State and local government support in 4-year private institutions scholarship raised at smaller rate but tuition declined at relatively higher rate. On 2-year public institutions impact was very small but positive. (c) Government grants and contracts increased in instructional expenses in all the sampled institutions. Decline in tuition was noticed in 4-year private and 2-year public educational institutions.

Mohzammil (1990) analyzed the financing of education in India and its comparison with foreign countries. According to researcher government expenditure on education as a proportion of total budgetary outlay had been highest in the France and lowest in United Kingdom, in the developed countries. However in developing countries it is highest in India and lowest in Pakistan. Total government expenditure on education as a proportion of Gross National Product, is more in developed countries in comparison to developing countries.

Ray (1991) measured efficiency of 122 districts operating high schools in Connecticut during 1980-81. Factors influencing achievement of the high schools were classified as inputs like teachers per student, supporting staff per student, administrative staff per student. Socio economic factors were also used as inputs including parental education, per capita income, students relating to ethnic minority group, family aid, and family income. Output measures were mathematics score, language score, writing score and reading score of 9th grade students. Researcher concluded that efficiency of utilizing
school inputs vary systematically with the socio-economic uniqueness of towns. Researcher observed that variation in productivity of schools of different districts was mainly because of change in the socio-economic surroundings of the communities served.

Mathew (1991) analyzed patterns and trends of income and expenditures, performance of colleges in academic results and relationship between financial condition of the colleges and performance of colleges in results of examinations. Sample size of the study was 25 private colleges in Kerala. Study period was of 14 years (1973 to 1986). Researcher concluded following aspects: (i) most colleges were only surviving and not progressing due to the scarcity of funds. Few colleges were taking compulsory donations from the students; (ii) performance of colleges had been checked in academic results by comparing actual performance with the cut off point and it was noticed that 15 colleges were poor in academic performance and (iii) by relating above two objectives it was found that colleges taking more funds and compulsory donations from students were not necessarily good in academic performance.

Raja (1991) examined the financial facet of higher education and traced differences in levels of expenditure among the states. According to researcher universities which were funded by the central government, through the University Grants Commission, were financially better than those financed by the state governments. The financial reliance of universities upon government had increased over time and relative dependence on other sources like tuition fees had declined. The share of expenditure on salaries and allowances had increased, whereas the expenditure on non-salary items like library or laboratories had showed a decreasing trend.

Punnayya Committee (1993) looked into funding of central universities. Committee examined the maintenance and development grants of educational institutions and checked the demand of grant raised by the internal resources of these educational institutions. Committee recommended these educational institutions to increase their income by mobilizing non-government sources.

Azad (1994) analyzed scope of operational auditing by surveying colleges and universities of United States of America. A total of 22 areas, 16 of which were administrative in nature and the remaining 6 academically oriented were examined. Survey was conducted on 328 college and university auditors of United States and 48%
response rate was achieved. Two hypotheses were formulated and tested to determine whether (i) the scope of auditing differs between private and public institutions and (ii) the perceived importance of audit areas differs between auditors working for private institutions and those serving public institutions. Study concluded that (a) utilization of operational auditing is narrow in scope and colleges/universities exercise operational auditing to small extent only; (b) administrative areas were viewed as relatively more imperative than the academic area audit and; (c) significant difference was not found in scope of operational auditing and the type of institution.

Govil (1994) showed the present critical situation of the universities mentioning that universities of India were in a very unsteady situation and need immediate attention. According to the study in any foreign universities the ratio of the teaching-non-teaching staff is generally 4:1, while this was opposite in India. The non-teaching staff that needs to support the teachers had not very favorable look towards the teachers. Financial crisis and delayed research grants provided by central authorities to the teachers showed the poor administrative process of universities. Study suggested immediate amendments in universities to improve the working environment.

McPherson (1994) analyzed and compared changes in expenditure patterns and revenue sources for the private and public colleges and universities from the 1986 to 1991 in United States. Sample of four types of institutions had been taken namely 2-year public colleges, liberal arts, comprehensive colleges and doctoral-granting institutions. In 2-year public institutions 759 institutions, in liberal arts 28 public institutions and 423 private institutions, in comprehensive institutions 287 public and 220 private, in doctoral-granting 123 public and 66 private educational institutions were selected. Researcher concluded that per student expenditure was high at private educational institutions than public educational institutions. Study revealed that tuition was increasing at all types of educational institutions. Further state and local government grants in public educational institutions were declining over the time, which resulted in decreased expenditure on library and plant maintenance for the students.

Swaminathan Committee (1994) recommended measures to respond to the demand of funds for education. Committee explored sources of resource mobilization in technical education, mainly by cost-recovery from students. Significant
recommendations given by the committee were (a) creation of corpus funds in educational institutions; (b) establishment of Educational Development Bank of India (EDBI); (c) reducing share of salaries in revenue expenditure from current level of 80 percent to 60 percent and (d) enhancing fees to recover at least 20 percent of recurring expenditure.

Weidman (1995) studied the higher education systems of 2 countries namely Kenya and Mongolia. Comparisons were made between the approaches used in higher education in both the countries. Study concluded that competitive standards were progressively remote as government of both the countries cannot afford to pay world market prices to improve scientific and technical facilities in their educational institutions. Thus both the sampled countries were concerned with the effective use of the existing resources in the educational institutions. Study suggested some ways to the developed and developing countries for decreasing government outlay on higher education including (1) Direct cost recovery; (2) Grants from contracts with outside agencies; (3) Income producing organizations and (4) Private contributions and expansion of the private sector.

Astill (1996) examined the reasons for the increased decentralization and the preconditions to further devolution in New Zealand. The study conducted a survey of polytechnics and universities using structured interviews with chief executive officers of the 6 of 7 universities and 20 of the 25 polytechnics in New Zealand. Researcher concluded that decentralization of decision making in tertiary educational institutions had augmented substantially from 1989 and had been expected to increase more by the year 2000. According to him main preconditions for higher devolution were progress of policies and procedures, increased training and developed information systems. According to researcher, reasons for the increased devolution were (1) to reduce decision making burden at the main center; (2) to increase motivation of the staff through decisions of ownership; (3) to enable specialization of decisions; (4) to increase accountability and responsibility of staff for their job performance; (5) to act in response to staff pressure for increased participation in decision making and (6) to increase cost alertness of staff.

Savchuk et al. (1997) studied the functioning of higher education institutions and discussed administrative and financial problems of higher education in Ukraine. Study
discussed the issues of structure of higher education institutions, employment and academic positions at university, traffic of staff, salaries and wages, sources of finance of higher education. Researcher investigated that following issues had affected the activities of higher education. External issues: (i) the government role in management, financing, degree of autonomy and responsibility were unclear by law; (ii) increase in number of higher educational institutions was not supported by sufficient number of teachers and equipment; (iii) income sources of higher education institutions were not treated favorably for tax purposes (iv) no direction in relation to minimum/maximum amount of fees. Internal issues: (i) mission and objectives of institutions were not clear (ii) inadequacy of administration power over ordinary teachers and (iii) allocation of government funds and performance of public institutions were unrelated.

Thomas (1998) found that administration of scarce resources had led to devolution of budget responsibility in universities of United Kingdom. Researcher mentioned that educational institutions would need to accept a holistic approach to the management and should concentrate on a wide range of issues related to faculty, structure and systems if efficient financial management is to be realized. The study highlighted two main issues: the process of allocation of funds in the educational institutions and the method in which institutions divided those funds to their constituents. According to researcher, managers of educational institutions need to (i) provide training to the staff in financial management techniques (ii) introduce faculty development policies and programs; (iii) improve management information systems which can efficiently help to develop new tasks and (iv) review of organizational structures. Research concluded that unitary approach emphasizing on only single variable is not very successful criteria. Efficient management of change depends on a holistic approach which symbolizes inter-dependence of different organizational variables.

Ziegele (1998) carried out a study to identify that the lump sum budgeting could be a remedy for current problems in the higher education institutions. He showed three important factors that should be analyzed: (i) If prescribed autonomy poses no realistic autonomy then lump sum budgeting is an improvement; (ii) There is no assurance that higher education institutes actually exercise their financial autonomy in competent and effective way and (iii) Financial autonomy may not be liked by society in long period.
According to the researcher financial autonomy is not basic requirement or precondition for any educational institution. Rather, a close look at the aspects and conditions of the educational institutions decide the desirability of the financial autonomy.

Johnes (1999) examined process of incentive methods within and across 99 higher education institutions of United Kingdom. Researcher analyzed university management at both the individual and sector level. The researcher has developed inter organization resource allocation model and compared it with resource allocation models of other British universities. Study exhibited evidence on the scale and scope economies and technical efficiency of educational institutions. According to researcher the available resource allocation models should be modified so that the progress of educational institutions could be improved in the area of efficiency and sustainability.

Thomas (1999) conducted a study to examine the adoption of formula-based models of resource allocation in the institutions of higher education in the United Kingdom. Researcher examined the extent to which higher education institutions use formula-based resource allocation models of financing agencies. He also described the extent to which those models need to be used for basis of allocation or decision-making in the educational institutions. He concluded that the use of external funding models were not sufficient for resource allocation within higher education institutions. Researcher suggested that external funding models should be used for assistance only and these should be developed in respect to the individual needs of the educational institutions.

Tooley (2000) investigated 13 educational institutions belonging to the Federation of Private Educational Management in Hyderabad. The study aimed to: (i) examine financial viability of the educational institutions and (ii) to points out issues in regulatory environment which may hinder the development of these educational institutes. By examining size of educational institutions, fees of students, governance and regulatory environment, teaching and salary of teachers, he concluded that majority of schools were financially viable. Researcher also found that public private alliance in educational institutions could facilitate the position of the least privileged/advantaged in society to which he called ‘dysfunctional public private partnership’ in India.

Varghese (2000) attempted to found the trends of public expenditures and plan allocation of Indian higher education sector. Study concluded that government
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Expenditures and plan allocation were decreasing in sector of higher education after the year 1990. Study also suggested many measures to respond to the increased demand of funds for education. It described two main measures (i) improving management of higher education institutes and (ii) cost recovery from non-government sources. He explained different ways of cost-recovery (a) enhancing fees (b) student loans and (c) graduate tax.

Banya (2001) examined the chief aspects leading to the mushroom growth of private colleges and universities in Africa in recent years. Study concluded that private universities increased in Africa because of increased demand of university education, religion and changing education demands. Researcher concluded that financing, staffing, poor academic performance are some of the issues confronted by the educational institutions. He also asserted that public universities had nearly collapsed due to numerous problems; private universities had grown as substitute in Africa.

Chakraborty et al. (2001) measured stochastic and non-stochastic efficiency in each of the 40 school districts in Utah (United States of America). Researcher had not found significant correlation between efficiency and local economic base. Researcher concluded that educational institutions with high socioeconomic status students could improve their efficiency by improved management of inputs. But districts having huge enrollments of low status students could boost efficiency of their educational institutions by resource redistribution by government and better teacher-parent association.

Rena (2002) conducted a study to examine growth of private colleges, sources of finance, cost and cost recovery methods in private aided and unaided higher education institutions of Osmania University in Andhra Pradesh. 24 private unaided and 6 private aided colleges had been selected as a sample by applying technique of stratified random sampling. The study period was of 3 years. The results showed that (i) number of private colleges was more than government colleges in Andhra Pradesh, within private colleges private unaided colleges were more in number than aided colleges; (ii) main responsibility of financing higher education was taken by government. It had been noticed by the researcher that government financing had been declined but other sources of financing like fees had been increased. In aided colleges, government had been providing $\frac{3}{4}$ of the total income while remaining income comes from fees of students but in unaided colleges only source of income was fees of students; (iii) per unit cost of
education in private aided colleges was relatively high than private unaided colleges. Private unaided colleges obtained more proceeds than they expend and (iv) cost recovery ratio of private unaided colleges was higher than aided colleges. Cost recovery ratio was 1:11 in aided colleges and 1:10 in non-aided colleges.

Huixia (2003) analyzed the condition of financing, the changing mechanism of funding, the absorbing and withdrawal mechanism of private higher education institutions of China. The study pointed out that financing of private universities of China was mainly constituted fees of students. Author pointed out that China did not offer specific provisions on government financial support for private higher education institutions. The independent and flexible market specific programs of private higher education institutions attracted particularly those students who afford tuition.

Liefner (2003) conducted survey of 6 universities of 6 different countries namely United States, Austin, Switzerland, Netherlands, Zurich and Great Britain. The study period was of 16 months i.e. July 1998 to October 1999. Study looked into changes into university funding and system of internal resource allocation among higher education institutions of sampled countries. Governments of sampled nations employed a range of methods based on project proposals or formula-based funding to finance educational institutions. Researcher concluded that: (i) there was no specific advanced approach for better financing in education. Therefore, government should let the universities to use different ways of management of their institutions and (ii) alterations in financing like change in income resources or in the structure of resource allocation had a great impact on the activities and internal system of universities. Study established that alterations in resource allocation have an impact on the level and kind of activities on which academics contemplate and (iii) higher education institutions respond to the varying mechanisms of financial management.

Lui (2003) analyzed the trend of constant expansion of Chinese higher education alongside the increase of student enrollment of Chinese public higher education. Researcher investigated the nature of current development of the Chinese private higher education from worldwide outlook and showed the tendency of the development of Chinese private higher education in the future. Study concluded that private higher education was expanding because (i) the potential increase in enrollment of public
universities was limited (ii) Government financing for education was not enough and (iii) private universities enroll only few students which were not appointed by the public universities. So, researcher anticipated more increase in private higher education to bridge the gap.

Hyderabad and Hundekar (2004) scrutinized the importance of investment in higher education and means of funding of higher education. Study suggested that investment of government should be raised till the self sustainment of educational institution. Government should embolden educational institutions to generate their own innovative ways of funding. Researcher suggested following innovative methods of financing: (i) reduce administrative expenditure; (ii) increase in tuition fees; (iii) alumni associations; (iv) undertaking industrial project work; (v) consultancy services; (vi) encouraging patrons; (vii) sale of important items; (viii) starting market oriented courses; (ix) allowing foreign students to take education in India; (x) raising funds from industry and (xi) Foreign direct investment in Indian higher education.

Subbiah (2004) analyzed the differences in the growth of budgeted expenditure on education to the primary, secondary, technical and higher education in India by applying Friedman’s test. This study covered a period of 10 years from 1990-1991 to 1999-2000. Researcher concluded that significant difference was not found in growth rates of budgeted expenditure on primary, secondary, technical and higher education during the study period. According to researcher, although there was no significant difference in the growth rates of budgeted expenditures of all levels of the education, government provided more attention or importance to primary education.

Tang et al. (2004) examined institutional characteristics and market linked aspects to calculate tuition of students at private colleges and universities of United States of America (USA). Sample size constitutes 190 private educational institutions i.e. 33 research institutions, 20 doctorate granting institutions and 137 liberal-arts institutions. Results of a multiple regression revealed: (i) the kind of institution, region, ranking of academic status, yearly expenditures, existence of professional institutes, faculty size and the undergraduate student body and faculty’s salaries and perks were all significant predictors of college tuition; (ii) correlation of reputation ranking is highest with the college tuition among other variables and; (iii) tuition was more at research institutions,
followed by liberal-arts colleges and institutions of doctorate granting.

Tilak (2004) examined amendments by economic reform policies of 1990. Study showed that recommendations proposed by Punnayya Committee and Swaminathan Committee are manipulated in some universities. He also discussed that categorization of higher education as non-merit good in a discussion paper and pending Private Universities Bill are hurdles in the higher education progress. Researcher criticized the three main wrong beliefs namely (i) higher education is unimportant for growth of economy; (ii) impractical to attain primary education objectives by not ignoring higher education and (iii) higher education could be efficiently offered by private sector only.

Malaj et al. (2005) highlighted the funding difficulties and the selection of financial management system in the Albania higher education. The period of the study was 5 years i.e. 2000 to 2005. Study examined that government resources allocated to higher education sector did not match with the needs of the educational institutions. Study concluded that the only way to develop the higher educational system of Albania was to provide incentives to universities so that they could afford all demands of enrollments and to improve their service. He suggested two ways of achieving this objective: (i) to move to a financial autonomy system and (ii) to allow a differential tuition fee systems.

Akintoye (2008) reviewed the effectiveness of the models in investigating financial performance of tertiary educational institutions in Nigeria. Further, researcher had developed a holistic model measuring financial performance of the tertiary educational institutions. The universe of the study comprised of all Nigerian universities which were at least 5 years old. In total, budgets of 10 universities (4 federal, 4 states and 2 private) focusing on 5 faculties, 3 from arts/social sciences, and the remaining 2 from the pure and applied sciences, framed secondary data for the study. The study concluded that in budgetary process of Nigerian higher education only one variable i.e. student population had been considered ignoring other performance based factors like number of faculty, number of administration staff and cost of educating students. Researcher viewed this criterion as sub-optimization of goals instead of optimization. According to researcher the previous models on assessment of financial performance were narrow as his model produced better results.
Toutkoushian and Shafiq (2009) examined the selection that states make in providing grant allocations to colleges or need based financial aids to students. Study had presented an economic model for comparison of allocations to institutions and need-based financial aids to the students. The study was primarily designed to explain the importance of arguments for supporting the states which were providing need-based financial support instead of granting appropriations to better attain their goals. According to the researchers giving state support to students in place of public colleges could interpolate some alterations in the incentive system of public colleges. He stated that competition for in-state students would increase probably if financing of higher education was distributed through students and not educational institutions.

**Part II Studies regarding General Management of Colleges**

Comprehensive view of the existing research on the general management of colleges is given as follows:

Baldrige (1979) examined the achievement of management innovations like Management by Objectives and Management Information System. He also checked the influence of these innovations on college management. The study was based on sample of 49 educational institutions of United States of America which had demanded grants under Resource Allocation Management Program in 1973. Study concluded that almost half of the colleges which had tried management innovations completely failed due to staff turnover, improper administrative help, and other reasons. Research also depicted many positive influences on the management of colleges of the successful group using management innovations. Researcher added that Management Information Systems were fairly helpful in presenting inclusive management data in examining troubles and improving sophistication of the managers. On the other hand, Management by Objectives increased motivation of managers and teachers and develop planning. The mixture of both Management information System and Management by Objectives created the best impact on management of educational institutions.

Ganesh (1980) attempted to access the performance of management education institutions in India. Sample of the study comprised of 6 management education institutions which were established in 1950s and 1960s. Study also examined the association of system processes with the performance of the institutions. Researcher had
used the dimensions of system survival and system effectiveness for assessing the performance of the educational institutions. System survival had been measured with the help of indicators of potential development. Dimensions of system effectiveness had been measured by innovative drive aspects.

Researcher concluded that all the sampled institutions performed well on innovative drive and penetration. The system methods for penetration received full attention by the management authorities. Clear missions, adequate staffing, good location and resource mobilization had improved abilities of the educational institutions. Decision making, integration helped in improvement of innovative thrust. Leadership style, research and dialogue helped to improve the penetration of these institutions.

Johnstone and Agustiar (1983) identified (a) main indicators which were considered vital by the teaching faculty for assessing higher education institution (b) expression (if any) of features of the institutions on these indicators. The sample of respondents was selected from six higher education institutions of Indonesia. All institutions are located in Java (Indonesia) and constitute universities, two institutes of higher teacher training and two state institutes for Islamic studies. The sample of 125 teachers was selected for the study and response rate of 72% was received. Researcher identified following seven indicators addressing quite disparate features of an institution’s environment: (1) size of institution; (2) quantity of output; (3) achievement of student in accomplishing degree in a suitable time; (4) academic results of students; (5) quality of teaching faculty; (6) characteristics of students and; (7) aggregate enrollment. For the second objective of the study researcher analyzed that views on the benefits of assessing higher education institutions based on the seven factors had not found to be affected by the conditions of the employing institutions.

McPhee (1985) explored and compared the views of teachers and administrators regarding school counseling and student personnel programs as held by teachers in the Caribbean. The sample of study included 275 teachers and administrators employed in public and private junior and senior high schools in states of Nassau and Bahamas. Kruskal-Wallis test and the Friedman two-way analysis test had been used by the researcher for analyzing the data. The findings revealed that views of administrators regarding counseling and student personnel programs in the schools were more positive.
than the teachers. Suggestions of the teachers include (a) sincere attention towards the abilities of counselors working in their schools; (b) requirement for explanation of role and task of working and; (c) minimum acceptable standards should be made for positions of school counseling.

Kealy and Rockel (1987) examined the importance of the factors which have impact on the students’ perceptions towards college quality. The sample comprised of 1424 applicants of Colgate University of America in 1984. The study found four dimensions of perceived college quality (i) academic quality; (ii) social atmosphere; (iii) campus location and (iv) athletic quality. Researcher had applied regression on each of the dimensions of perceived quality on independent variables that were seemed to influence perceptions. The independent variables were (i) important persons; (ii) written materials; (iii) admission activities and (iv) individual student characteristics.

Researcher concluded that (a) high school teachers, college students, alumni, college faculty and parents were found under the high impact of all the dimensions of perceived college quality; (b) written materials expressing college quality did not give a significant impact even after controlling other influencing factors; (c) college admission executives had not significant influence and; (d) individual characteristics of students like education rating, financial aid, academic interest, sports activities, etc. are significant influencers which had impact on perceptions of students towards college quality.

Daresh and Playko (1994) examined discrepancies between views regarding needs identified by experienced principals and by those who sought the role of principals. This study comprised of 420 aspiring school principals in five universities situated in three states along with 100 practicing principals of elementary, middle, and secondary school level in five different states. Researcher had defined ‘aspiring school principals’ as individuals who were enrolled in university graduate-level programmes leading to state licensure or certification as building level administrators. Practicing principals sampled in the study had experience levels of two or more years in the area of school administration. It is found that experienced principals described the ability in the areas of self attentiveness and socialization as more censorious to one’s skill to act as a principal. While those who sought the role of principals considered that the skill in technical managerial duties was more important.
Mason et al. (1995) investigated the impact of several teacher, student and course features on three collective measures of teachers’ performance namely (a) lecture quality, (2) instruction quality and (3) overall value of course. The study involved 5745 students of department of economics at the University of North Florida of United States of America. Results revealed that teacher characteristics that one would suppose to influence students produced positive impact on aggregate queries. Courses that were found with lower grades created lower level of overall assessment for the teachers involved. The paper also suggested a process for comparing student instructional scores towards faculty members to facilitate the evaluation of individual faculty members more suitably.

Gaziel (1996) conducted a study for evaluation of the perceptions of parents, students, teachers and principals about school effectiveness and to find out the dissimilarities in their views across school levels (primary vs. secondary) and types of schools (religious state vs. non-religious state) in Israel. A sample of all categories of subjects in eight Israeli schools were interviewed (N=64). Analysis revealed that views of parents stressed more on school outputs as an indicator of school effectiveness. Whereas, teachers stressed their skills and teaching processes; students emphasized on both inputs and outcomes; principals stressed chiefly on inputs and religious schools stressed more on values as indicator of their assessment of effectiveness of colleges.

Wobmann (2000) explained that country-wise differences in educational institutions influenced the performance of students in cognitive achievement tests. Sample size of the study was educational institutions of 39 countries. Study concluded that micro level student estimation disclosed a positive impact on performance of students from centralized examinations and control processes, school autonomy, competition from private educational institutions, parent participation, achievement motive, and faculty impact. However, high influence of teacher unions on curriculum range had negative impact on performance of students. The findings of the study suggested that international differences in student performance were not due to differences in resources of schools but were primarily because of differences in educational institutions.
Keiser and Shen (2000) investigated the differences in perceptions of teachers and principals regarding teacher empowerment in the schools. 9098 principals and 47105 teachers had participated in the study. The findings of the study had showed statistically significant differences in views of teachers and principals relating to six spheres of teacher empowerment. The data of the study had been taken from Schools and Staffing Survey of 1993-94 planned by United States of America Bureau of Census, 1994. The differences found in the perceptions of principals and teachers with the help of t-test stated that teachers were more empowered than teachers themselves felt. There was dissimilarity in the views of teachers and principals. The findings revealed that teachers had small impact on the school issues like constructing budget, appointment of new teachers and assessing teachers.

Karra and Papadopoulos (2000) conducted a study to explain the methods used to select correct metrics for implementation of Balanced Scorecard in the educational institutions. Study also provided an application of Balanced Scorecard process by creating a Balanced Scorecard for the University of Macedonia, Thessaloniki, Greece. The findings of the study revealed that the university needed increase in number of teachers, facilities, research activities.

Habib (2001) investigated University of Transkei of South Africa to expose principal deal with crisis. Researcher concluded that main reasons of crisis were poor managerial, unsuitable location of university, financial deficits, declining student enrollments, low academic spirits, and high turnover of staff, collapse of government structures, inefficient control processes and, omissions and commissions of stakeholders. Researcher suggested that (i) poor management can worsen the crisis of an institution; (ii) effective management specifically at the level of managing committee is finest remedy to poor management; (iii) firm and crucial leadership and well-timed involvement by the education department and (iv) structural troubles of higher education institutions could increase financial insecurity and academic reliability.

Mulford et al. (2004) explored the relationship between perceptions of teachers regarding administrative practices in high schools and students’ views regarding school, faculty and their own performance. Study was undertaken in 15 high schools of Tasmania (Australia). Teachers, principals, students, parents and members of management
committee were surveyed to explore their perceptions regarding effectiveness of school management. 124 teachers and 1,181 students responded to their respective questionnaires. Researcher found that colleges where decision making was viewed by faculty as supportive, co-operative and decentralized and granting sufficient opportunities for participation, it would be more expectedly to found positive perceptions of students regarding their school and faculty, and also perceptions about relationships and their own performance.

Pashiardis et al. (2005) investigated the views of teachers regarding their principal and leadership style in Portugal. The research was carried out in a Portuguese secondary school with three main objectives (i) to find out about the perceptions of teachers regarding their principal and his leadership style; (ii) to find out about the perceptions of the principal himself regarding his own leadership style; and (iii) to compare teachers’ perceptions with those of the principal and find out if there are any discrepancies between their views. Study was based on the responses of 144 teachers yielding response rate of 30%. Questionnaires contained nine dimensions: school climate, school leadership and management, curriculum development, faculty management, administration and fiscal management, student management, professional development and in-service, relations with parents and the community, problem solving and decision making. Further, interview was conducted with the principal on the similar areas to those of questionnaire. The researcher concluded that there was a general agreement between teachers and principal concerning the principal’s opinions for himself and the teachers’ views regarding him.

Bagalkot et al. (2006) examined the views of students about quality in higher education in a university of Karnataka of India. Sample was selected from 90 students. Results were found with simple table and ratio analysis. Researcher investigated the following indicators of quality management: (a) mode of the entry into the courses; (b) nature of curriculum; (c) quality of teaching; (d) evaluation process; and (e) infrastructure. Results depicted that (i) due to incorrect choice processes disinterested students may admitted to the courses; (ii) course structure was not meticulous to offer essential skills to the students; (iii) practical orientation was less in teaching; (iv) assessment system was
viewed as not objective and transparent; (v) infrastructure development in the university had not kept pace with the increase in student enrollment.

Kaur (2008) explored the perceptions of students regarding quality management of colleges. The study analyzed this aspect further by dividing the extracted factors into basic essentials and student development in colleges, to find the difference of management of ‘basic essentials’ in the colleges ranked higher and lower for ‘student development’. The study comprised of 16 colleges and 335 students. The study was held in the period of August 2007 to April 2008.

It was discovered that colleges which were ranked higher for student development (placement, extracurricular activities, college environment and student evolution) displayed a significant difference of basic essentials (educational material, teaching and infrastructure) when compared with lower ranked colleges. It was also observed that colleges providing higher placements were found with more educational material. Colleges ranked higher for emphasizing extracurricular activities and better environment were traced with better teaching and infrastructure. Whereas, colleges perceived with higher student evolution were found possessing greater educational material and infrastructure.

Kaur and Bhalla (2009) analyzed the perceptions of teachers regarding management of faculty and students related factors in 16 colleges run by Shiromani Gurdwara Parbandhak Committee in Punjab state. Study had investigated teacher’ perceptions for student related factors in higher and lower ranked colleges based on faculty related factors. Effective sample size of respondents was 87 yielding response rate of 37 percent.

Results showed that colleges ranked higher for the three factors namely teaching environment, research environment and educational material, displayed significant difference for all of the student related factors namely education of students, placement of students and extracurricular activities of students. Whereas, one faculty factor namely ‘infrastructure’ showed significant difference of extracurricular activities only and the remaining faculty factor (faculty motivation) showed significant difference for two of student related factors namely ‘education of students’ and ‘extracurricular activities’.

Kaur and Bhalla (2010) studied the factors influencing students’ perceptions
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regarding college management and the association of perception scores with the personal characteristics of the students. Study was comprised of 335 students of 16 colleges run by organization named Shiromani Gurdwara Parbandhak Committee.

The results of factor analysis technique showed that placement was the most important factor followed by infrastructure, extracurricular activities, education, student development, educational material and college environment. The findings of chi-square test indicated that gender and education level had shown significant association with perception scores, whereas age and course stream had not shown significant association with the perception scores of students.

Kaur (2010) explored the perceptions of teachers and principals towards management of colleges and examined the differences in the perceptions of teachers and principals of the colleges. The subjects of the study were teachers and principals of sixteen colleges run by SGPC in Punjab state of India. Responses of 13 principals (response rate = 75%) and 84 teachers (response rate = 35%) were received.

Results showed that perceptions of teachers towards college management were not much acceded to the availability of research environment, educational material, faculty motivation and placement of students in the colleges. It also came to light from the study that principals were not much inclined to agree with research environment for teachers and; placement of students in colleges. Comparison of the views of teachers and principals showed that teachers were significantly less satisfied regarding management of colleges in respect of faculty related factors i.e. teaching environment, research environment, educational material, infrastructure and faculty motivation. Views were also significantly different for another factor related to the students i.e. education of students. However, their views were not significantly different for remaining two of the student related factors namely ‘placement of students’ and ‘extra curricular activities of students’. College wise comparison showed that perceptions of teachers and principals were significantly different for many factors in some but not in all colleges.

Part III Studies related to Religiousness in Educational Institutions

The field of religiousness in educational institution is little explored. The review of Henderson (2003) showed that studies of spirituality/religiousness in student development were rarely discussed before 1999. The review of the relevant studies
related to the religiousness in educational institutions had been carried out and is given as follows:

Zinnbauer and Pargament (1998) ascertained the degree to which religious notion characterizes the experience of spiritual converters. Sample size for the study was 130 Christian students. The study defined spiritual conversion and tested this definition by comparing the aspects in which spiritual conversion varies from slow improvement in religiousness, and from unchanged religious condition. Religious converts, non-converts whose religiousness improved slowly, and religious persons who had not experienced spiritual change were chosen by means of a screening questionnaire. Students’ religious experiences were judged by a questionnaire and interview. There were significant disparities in the religious converted groups and the group which had not undergone any religious conversion. However, the researcher did not discriminate powerfully between spiritual converts and non-converts who had practiced religious transformation in some previous times.

Bradley and Kauanui (2003) delved into the spirituality of college professors of three types of campuses (private Christian, private secular and public state) to find out, whether there were noteworthy aspects that distinguish campuses on the basis of religiosity of professors. The questionnaire included the topics of spiritual tenets, sense of community and problem of fear. Study concluded that there was dissimilarity in the spiritual culture of these three types of campuses and the spirituality of the professors was a reflection of the spiritual culture created in the campus. Private Christian campuses were discovered with more spirituality than the private secular and public state campuses.

King and Crowther (2004) enquired the psychology of religion by discussing existing measures to estimate the magnitude of religion, their development and specific purposes. The study discussed three types of measures namely religiosity, spirituality and multidimensional scales. Religiosity measures included religious orientation scales, quest scale, intrinsic religious motivation scale and the duke religious index religion scale, religious values scale. Spirituality measures included spiritual well being-scale, spiritual assessment inventory, spiritual transcendence scale, religious experience questionnaire, and religious problem-solving scale. Multidimensional measures cover brief
Mooney (2005a) Aug investigated the influences of religion on several measures of college achievement in United States. Sample of the study was 3924 students of 28 elite American colleges and universities drawn from the National Longitudinal Survey of Freshmen (NLSF). The NLSF had randomly sampled the students who started their courses in selective colleges and universities in the fall semester of 1999. The technique of regression analysis was used. Dependent variables were Grade Point Average (GPA: grades reported/number of courses taken), satisfaction from colleges and hours studied (number of hours spent studying on a weekly basis). Independent variables were religions: Protestant, Catholic, Jewish, no religion and other religion and; observance of religious tenants and regular visit to religious places. Control variables were student’s ethnic group as White, Black, Asian or Hispanic, as identified by the college or university; variables that determine family structure; parents’ education (number of college and graduate degrees earned by both parents); immigrant origins (at least one parent born outside U.S.); family income; welfare (family ever received public assistance); high school achievement, high school marks, and number of courses taken in high school.

The finding of the study revealed that students who took part in religious practices were found with good academic results. Further, observance of other religious practices had a significant and positive influence on number of hours studied and school satisfaction of students.

Sorrentino (2005) investigated the thinking of religiously involved students about union with people of other faiths. Study concluded that (1) all religious students had a obligation to a set of beliefs, symbols, regulations, rites and practices and want these specifications to be appreciated, valued, protected and understood in multifaith relations; (2) provided the first condition was followed, religious students were keen to discover about belief of others. This was particularly accurate in unofficial sittings (3) multifaith measures were appreciated mainly for their educational advantage, cultural expression, and potential to good relations.

Mooney (2005b) examined the influence of religion on several measures of college achievement in United States. The most significant finding of the paper was that
students who participated in religious ritual once a week or more reported higher college performance. In addition, other measures of religiosity had a significant and positive impact on two more outcomes: the number of hours studied and school satisfaction. Students who were more religiously observant reported studying longer hours, and both students who said they were more religiously observant and those who attend religious services once a week or more reported higher satisfaction with their college experience. These findings both confirmed numerous studies on religion and high school achievement and suggested numerous avenues for further research on religion at the college level.

Gross and Simmons (2007) investigated the religiosity of various disciplined professors of colleges and universities of America. The sample was divided i.e. two thirds of professors were taken from the twenty largest disciplinary fields in which bachelors degrees awarded in 2004, and the remaining one third of the sample was drawn from all remaining disciplines in which bachelors degrees was awarded that year. A total of 1471 professors for the sample were taken from four types of institutions namely community colleges, four year colleges and universities, non-elite Ph.D. granting institutions, and elite doctoral universities (universities in the top 50 in the latest United States News and World Report ranking). Study included the subjects of extent of atheism; religious orientation; religious services and; views on religion, science and politics. Study showed that elite doctoral universities consist of more atheists and agnostics than the other types of educational institutions. Disciplines like psychology and biology had the minimum number of religious professors. Professors of community colleges and four year colleges were found with less number of atheists and agnostics. Although religious persons could indeed be found in the upper echelons of educational institutions, there was less curiosity for more passionate forms of religiosity.

Taylor (2008) examined the correlation between the spirituality of the students and academic results. The researcher had checked that students with a strong faith identity at a faith-based law school performed better in academics (grades in law school courses) or not. The analysis was based on 97 questionnaires filled by the students of St. Thomas School of Law in fall 2007. This study concluded that a students’ strong spirituality at the sampled institution had a negative correlation with first-year academic
results. According to researcher, the findings of this study required to be tested again and elsewhere in secular- and faith-based law schools.

Imam et al. (2009) examined the extent of and connection between measures of religious and psychological state of students of International Islamic University of Malaysia. Sample of the study comprised of 358 undergraduate students. Results of the study had shown positive correlation between all the variables under study which indicated that there was a significant association between the spiritual health and psychological health of the students. It was found that females were significantly more satisfied than males. Unpredictably, existential well-being predicted self-efficacy, self-esteem, and life satisfaction significantly, whereas religious well-being had not predicted it significantly. According to the researcher the reason of such unexpected results could be the high difference between the definitions of religious well-being and existential well-being. Religious well-being has a relationship with God, whereas, existential well-being is a just a psychological well-being.

The above written literature review stated that very few studies have been carried out which investigated the financial health of the individual colleges in a comprehensive and systematic way. So, there is a much room for further research in the field of financial health. It appears that none of the above written studies has taken all the aspects of management of educational institutions collectively into consideration except the own studies of researcher. So, there is much scope for further research on these aspects especially in Indian context. Further, hardly any systematic research has been done to analyze the religious promotion in the colleges. Moreover, very few studies have undertaken the comparison of the views of different groups of colleges like students, teachers and principals regarding college management.

Present study, therefore, addresses issues concerning college management. As the field of the research is little explored area, it will help in improving the body of knowledge in the field of education management. The endeavor might be useful for the sampled colleges in improving their management especially by knowing the areas where management is lacking. Therefore, it is worth examining the financial health and management of colleges in respect of the achievement of their objectives for which they were established.