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EDUCATIONAL FINANCING: ROLE OF INADEQUATE FUNDS ON NIGERIAN BUSINESS EDUCATION

BY

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Abstract
Managing education is a sensitive task that requires optimum understanding of its indices. Finance is one of the educational indices upon which educational successes lie. This study investigates the role of inadequate funds on business education activities in Nigeria. It is a qualitative designed study that examined a population of Six hundred (600), out of which three hundred and fifty (350) purposively selected samples were examined. Data employed were assembled through structured questionnaires, and therefore subjected to descriptive statistical analysis, using two of the measuring tools of central tendencies (Mean and the Standard Deviation) to draw inferences. Croribach αlpha formulae were also employed to test for results' reliability. And in all of these, the study revealed and thus concludes that inadequate funds play significant and negative role on the business education activities as evident by the cumulative mean value of 31.12%. Also, the study posits that the Industrial-educational partnership and the collaboratory funding techniques have sizeable positive effect on the Nigerian business education. And it was on the basis of these revelations and conclusions that the study recommends to the Nigerian governments and every concerned policy-makers to adopt the Industrial-educational partnership and collaboratory funding approaches (both, educational collective financing techniques, involving relevant stakeholders) to financing business education activities in Nigeria. These financing approaches surely, will assist the nation in building formidable educational capital bases, improve education financial system, spur accountability, and also promote stakeholders' inclusivity.

Keywords: Funding, Inadequacy, Business, Education, and Approach.

Introduction

Finance is the managerial science of money, investment and risk, which involves sourcing funds, efficient utilization of the raised funds, and scientific management of risk associated with money raised for investments. It is a sensitive managerial task that requires optimum understanding of its indices to succeed. Money runs the activities of life and education is not an exception. And for any educational project to thrive at all, its funding mechanism must be top notched. In Nigeria, it is the governments that oversees and finance the educational sector, which indeed has generated debates amongst scholars. Some school of thought believes that such managerial approach has brought retrogression to its overall developments, going by the huge amount of responsibilities on the shoulders of the government, while others negate that, but suggests, improved funding as mechanism to addressing any notable Nigerian educational inefficiency (Opaleke, 2023).

However, some school of thoughts argued how the enormous responsibilities of the Nigerian governments, coupled with other prevailing economic factors had forced Nigerian governments

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to have preferred the ideology of sharing or shift entirely, their educational responsibilities to the debatable hands of private individuals, of which has led to the emancipation of high numbers of private schools in the country, which so far has been jeopardizing the primary motive of education to a rather unfortunate profit making avenue.

Business education is a type of education that focuses on self reliance and skill development. It is a capital intensive approach to skill acquisition that requires huge amount of money that are needed to assemble and install all necessary estates, machineries and the personnel, needed to enhance its value. In most developed economy, education is regarded, a non-profit making setup that focuses more on building intellectual and productive capacity. The intention is clear, and it takes the form of capital investment, which if well built, investing nation will benefit immensely. However, the African approach to quality education is quite different, and therefore leaves many stakeholders to question it, given significant numbers of determinants (Eriki & Okafor, 2022).

But since the value of a nation lies in the quality of its education, any logical thinking developing nation will desire and so commit to building a formidable structure that will in-turn multiplies its national income through its high level productivity. Nigeria is not an exception, but lacks the will to implement its beautiful educational paper plans. But in as much as the Nigeria citizens depend solely on governments to fund education, it would be difficult to earn its values (Umoh, 2024).

Statement of the Problem and Justification for the study
Economic scholars in the last decade have debated how inadequate/poor funding mechanisms have been responsible for the poor performances and quality of the Nigerian educational sector. And in particular, the Nigerian business education has been reported to have being the most impeded educational developmental projects in Nigeria (Aluko, 2023). Inadequate funds have been cited as major culprit despite recent report of a significant improvement in the national budget and recurrent expenditures of governments. But since most sectorial finances are managed by the national budget, it becomes strenuous to argue that and execute any sectoral projects outside the budgeted provisions. Even in all of these, the Nigerian educational budgetary provisions and educational support allocations has not by any means, been positively influenced (Samuel, 2023; Opaleke, 2021; & Ajayi, 2020).

The point here is, the current state of the Nigerian educational standard is against the prescription of UNESCO allocation of a 26% budgetary provisions and financial supports. This has in-turn, influenced the quality of education provided and acquired in Nigeria, which is a problem and an impediment to educational survival and growth. We should not forget that building an enviable educational system requires efficient funding mechanisms to assist in actualizing its global and domestic mission and vision. But since this has not been achieved in Nigeria, the focal point of this study, coupled with academic demands to address the empirical, methodical and theoretical gaps found in related studies, this study is therefore motivated to enquire and suggests, efficient approaches to addressing inadequate funds challenges, facing the Nigerian education industry.

Research Questions
Following the statement of the problem as discussed above, the underlying questions are:

i. Is there any relationship between inadequate funds and business education?
ii. Do inadequate funds have any effect on business education activities?
iii. Does the Industrial-educational partnership and the collaboratory funding approaches, impacts Nigerian business education activities?

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Objectives of the study

The general objective of this study is to appraise the role of inadequate funds on the Nigerian Business Education while its specific objectives are to:

i. Ascertain if relationship exists between inadequate funds and business education.
ii. Determine the effect of inadequate funds on business education activities.
iii. Ascertain if Industrial-educational partnership and collaboratory funding approaches, impacts Nigerian business educational activities.

Research Hypotheses

Following the research questions and objectives, the underlisted null Hypotheses were raised:

$H0_1$: There exists, no significant relationship between inadequate funds and business education.
$H0_2$: Inadequate funds have no effect on business education activities.
$H0_3$: Industrial-educational partnership and collaboratory funding approaches have no impact on the Nigerian business education activities.

Literature Review

Economic and financial literary submissions and conceptual descriptions of Finance, Education on general basis, Business type of education, Inadequacy and Financial management approaches are all discussed in this section. The logic is to provide clarification of terms used in this study and to aid immediate comprehension of the study's variables in its entirety.

Finance has been defined by Opaleke (2023) as the managerial science of money, investments, and risk. Opaleke (2021) argues how financing involves, sourcing for funds, use of the funds and management of the associated invested money risks. This is because as a legal tender, monies are (I meant different forms of it e.g. cash or other legal tender) the financial instruments employed for Transactionary exchanges. The role of money in our day-to-day human activities has made money relevance felt so much that every activity of lives, including acquisition of education, depends largely on it. And to acquire best of knowledge and skills of a magnitude, it therefore requires expenditures in order to assist knowledge recipients in fulfilling the required obligations

Eriki and Okafor (2022) describe Education in general, as the scientific process of acquiring new values and skills so as to be able to function well within a society and, add in return, more values that will improve such society. This simply means that education is about knowledge acquisition, which could be in a form of formal and/or informal types. Kempner (2021) on the other hand, views and describes Business education as one of technical and entrepreneurial skills acquisition form of a formal educational system, which inculcate in the recipients, right attitude, knowledge, competence and vision to excel in both teaching of business curriculum and/or in plying trades of their choices. He analysed how it focuses on development of skills in collar and field vocations such as: Accounting, Marketing, Office Technology and Management and others. Inadequacy is term described by Davidson (2000) to simply mean insufficiencies. It is a word to describe *'not enough'* or a poor state of financial resources. In this study's context, we meant inadequate funds to be insufficient money to prosecute the required educational programmes just as defined by Etuk (2022). And lastly, Approaches has been viewed and defined by Samuel (2023) as the methods, techniques, systems, ways, and/or manner at which certain endeavour or procedures are being executed. In general, this study adopts all of these definitions as stated above to imply its context and their interchangeable usage in this write-up.

Flow of Funds Approach

The flow-of-funds approach has been based on the arguments that education investment, finance and institutional payouts are interrelated. Dhrymes and Kurz (2010) posit that an institution faces

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an outflow of fund mainly through its variable and fixed costs in the form of tax, payouts, and their investment outlays. It is so obvious that most sectors rely so much on inflow of funds from fees and proceeds of various forms or either from external finance sources such as loan/debt or stock issuance, which is in form of (programmes ran and graduation of their educational products and coupled with other attractive and salable educational services) The argument of flow of fund approach on institutional financing is that institutions must consider their fund-raising choices alongside their fund-spending plans before trading-off between the outlays for capital investment and statutory payouts. This is because any form of failure to understand the inflows and outflows of an institutional funds and carefully align to its procedures and implications, will jeopardize the aspired achievement of any projected missions and goals.

Educational Financing and Uncertainty

The effect of uncertainty on educational investments, its importance and the overall impacts on the nation's financing decision have received little attention. And given the fact that all corporate decisions are made on the basis of uncertain information, the degree of uncertainty should be carefully considered in each of the decision-making processes for education policy formulation. Several of recent studies have indicated the potential roles that uncertainty plays in educational financing decision-making processes. Minton and Schrand (2010) hypothesized that there exists positive association between cash flow, uncertainty, and the costs of accessing external debt and equity financing. They observed that if all other things being equal, cash flow volatility increases the probability that an institutional cash flow realization in any given payment period will not be sufficient to cover its debt service requirement, since the increased probability of default must be compensated by a higher risk premium. In simple term, uncertainty is a determinant to consider when aiming at funding educational operations since most are based on flow of money (fund).

Methodology

The study is a qualitative designed study that requires consideration of variables attached to the subject matter. It is in consideration of this that the study adopts primary data, using purposive sampling technique. This was done to assist the study covers the necessary elements of the study population and to avoid spurious and biased results. Structured questionnaire was adopted as the research instrument for the collection of data for the study, which was administered to the Three hundred and fifty (350) purposively and stratifiedly selected samples/respondents for the study. Population examined is of Six hundred (600) atoms that cut across all stakeholders of the educational sector: Business Educators (Lecturers and Students) of Ten (10) public and private owned tertiary institutions in Nigeria, Managers of tertiary institutions, Officers of the ministry of education, Corporate bodies, Parents and Guardian, Economic analysts, Agencies and non governmental institutions from the four geographical section of the nation (North, East, West and South). Data analyses were done, using inferential statistical techniques: the measuring tools of central tendencies (i.e. the Mean and the Standard Deviation). Hypotheses were tested (though not presented), but were all considered and ensured relevant compliance before drawing study's inferences. The *f*-test mechanism was adopted to verify the study's hypotheses, given suitability and reliability, while Croribach αlpha formulae were also employed to test for the overall results' reliability. The decision rule for drawing study's inferences is centered on the Arithmetic basis of: 4+3+2+1 = 10/4 = 2.50. And by implication, any item with a mean value of 2.50 and above is therefore rated Agreed, while any other with the mean value below the rule of thumb of 2.50 is rated Disagreed.

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Results of Data Analysis

Table 1: Results Analysis of the Role of Inadequate Funds on Nigerian Business Education

S/N.	Item Statements	Mean (X)	Standard Deviation (SD)	Decision
1.	Educational sector is a service production structure that builds human resource capacity, and requires optimum funding.	3.09	.937	Agreed.
2.	Inadequate funds, jeopardizes educational intentions and growth.	3.04	.977	Agreed.
3.	Inadequate funds inform poor teaching and learning quality and outcomes.	3.16	.948	Agreed.
4.	Educational-Industrial Partnership improves educational financing.	3.20	.926	Agreed.
5.	Educational stakeholders' collaborative funding approach ameliorates inadequate funding challenges.	3.20	.926	Agreed.
6.	Inadequate funds discourage education-managerial innovation and strategic moves.	3.06	.875	Agreed.
7.	Inadequate funds limit Infrastructural and basic facilities' advancements.	3.16	.948	Agreed.
8.	Inadequate funds inform sub-standard quality personnel.	3.12	.835	Agreed.
9.	Poor funding mechanism indirectly spurs fraudulent financial activities.	3.01	.905	Agreed.
10.	Inadequate funds suppress high intent of building great national human capacity.	3.08	.863	Agreed.
	Aggregates	**31.12**	**9.14**	**Total Agreement**

Source: Researcher's Analysis (2025).

N.B: These data represents the opinion of the respondents and the study's statistical outcomes.

Discussion of Findings

Going by the results of analysis presented in Table-1 above, all respondents unanimously concur to the effect of inadequate funds (representing poor institutional funding approaches) on business education activities in Nigeria as being negative on all variables tested and agrees on two method of ameliorating it given the statistical evidences of Mean values of: 3.09, 3.04, 3.16, 3.20, 3.20, 3.06, 3.16, 3.12, 3.01, 3.08 respectively, and the cumulative mean value of 31.12%. And in third column, the Standard Deviation value reveals: .937, .977, .948, .926, .926, .875, .948, .835, .905, and .863 respectively with aggregate SD value of 9.14. These outcomes shows that item number 4 and 5 have the joint highest mean and the standard deviation values, indicating their highest

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significance and positive effects on the dependent variable (i.e. business education) while item number 9 produces the least mean and the corresponding standard deviation values of 3.01 and .905 respectively to clearly indicate negative but significant role of Inadequate funds on Business education programmes in Nigeria. And in general, these study outcomes are in tandem to Oko and Ile (2023) study that posits similar evidence.

Conclusion

Going by the findings of this study as discussed above, it is therefore concluded that:

i. There is significant and negative relationship between Inadequate funds and the Nigerian business education.

ii. Inadequate funds have significant and negative effect on the operations of the Nigerian business education.

iii. Industrial-educational financing partnership and the stakeholders' collaboratory funding approaches, significantly and positively impacts Nigerian business education operations.

Recommendation

Based on the revelations of this study and its conclusions, the study recommends to the Nigerian governments and all concerned policy-makers to:

i. Consider when planning, the significance and the negative effect of inadequate funds on education in general and, in particular, on business education. This will assist in reducing the inefficiency found in the areas of financial appropriation, allocation, and management of financial resources, meant for educational growth and intellectual capacity building.

ii. Adopt the Industrial-Educational partnership and the Collaboratory financing approaches (both of which are collective financing techniques that engage relevant capable economic stakeholders) to financing the Business Education in Nigeria. These financing methods will assist the nation in actualizing quickly, her quest to build a formidable educational capital bases, improved educational financial system, promote resources accountability and, stakeholders' inclusivity.

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