**Title:** Financial sustainability factors of higher education institutions: a predictive model

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**Abstract:**

A growing number of private and public higher education institutions have faced financial un-sustainability challenges. Consequently, countries such as the United Kingdom and regions such as the European Union have instituted programs to assist higher education institutions in making them financially sustainable (Browne et al., 2010). Similarly, Adventist higher education institutions have not been exempted from this challenge (Rock, 1991).

This study supports the idea that not for-profit educational institutions should realize that financial sustainability is crucial for today’s leaders facing the challenge of meeting today’s cost and making concerted efforts to preserve or invest for future generations. Nevertheless, to achieve financial sustainability, Adventist higher educational institutions need to maintain or increase their operations through internally-generated income or funds which are deemed to be flowing on a regular basis for the sustainability of their operation, without compromising the future of their sustainability.

The proposed model for financial sustainability used 5 independent variables (authentic leadership, organizational culture, public relations, investment portfolio and networking) and 1 dependent variable (sustainable growth Rate) with institutional characteristic. After statistical work on the data of Adventist higher educational institutions worldwide, 50 institutions from 39...
countries with 72 survey results revealed that 19.6% of the variance is explained by public relations, investment portfolio, and authentic leadership.

The study found that public relations alone accounted for the highest of 17.4% investment portfolio followed at 16.3%, and authentic leadership 11.1%, respectively. The new equation for financial sustainability is $y = \alpha + \beta_3x_3 + \beta_5x_5 + \beta_1x_1$: sustainable growth rate, $y = -3.367 + 0.174$ public relations $+0.163$ investment portfolio $+0.111$ authentic leadership. This study’s unique contribution is that it has explored the Adventist higher education institutional financial sustainability and has defined a predictive model.

Further analysis on ANOVA showed that 3 (organizational culture, networking, and sustainable growth rate) of the variables indicated a difference in organizational culture, networking and sustainable growth rate, when $x$ grouped by continent from which the institution is located. From the above on organizational culture, the institutions in Asia had an organizational culture that is more conducive to sustainability than other institutions in other continents. On networking, the institutions in Europe had higher networking that is conductive to sustainability more so than other institutions in other continents. In relation to financial sustainability, the institutions from the United States of America had better results than institutions in other continents. Financially, when it came to sustainable growth rate, there was a significant difference in terms of continents in which the institution is located. North America was significantly different from Africa, Asia, Europe and South America. This indicated that institutions in North America were more sustainable than those in the other continents. In relation to financial sustainability, the institutions from the United States of America had better results than institutions in other continents. This seems to suggest that different institutions as grouped by continents have certain strengths.
By implication, to succeed in financial sustainability, Adventist higher educational institutions need to use the matrices of public relations, investment portfolio, and authentic leadership to pursue financial sustainability. The above will do much better when they, in addition, adopt and work with the organizational culture of the Asians, the networking of the Europeans, and the financial prudence leading to financial sustainability of the North American.