Advancement Strategies for Tertiary Institutions

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ABSTRACT

This paper seeks to delve into the institutional advancement option of raising third-stream income for universities in Ghana, highlighting the benefits, road map, challenges and the recommendations that would see the efficient and effective operation of the advancement options for universities in the ever-increasing competitive world.

GLOSSARY OF TERMS

<u>Advancement</u>: is used to refer to the process of improving systems, processes and conditions.
<u>Donor</u>: a person who contributes something, eg. Money.
<u>Alumni</u>: a former student.
<u>Engagement</u>: is used to describe the interaction between and among people.

I. INTRODUCTION

In Ghana, university education has been free from the early days of nationhood. Tertiary institutions were established primarily to provide higher education, research and skilled labour to accelerate the country's development. However, in recent times, many universities in Ghana, especially the Public Universities have been greatly hit by a decline in government subvention to cater for their upkeep. This is not peculiar to Ghana but appears to be the current global trend.

Governments around the world continue to cut educational budgets for economic reasons and set up alternative funding options. To supplement the limited funding from government, universities have fashioned out alternative means of funding. These include various fee regimes from students, lease investments for themselves and embarking on various income generation activities. More often than not, the burden is shifted unto the students and this is having a great toll on the quality of education delivered.

Fredua-Kwarteng (2004) in her article on '*Financing Ghanaian Universities'* said that, 'Universities in Ghana are assigned to the high dependence category, because they depend on the government for 90% or more of their total funding. However, as other areas are competing more fiercely for our meager government revenues, our universities are getting less and less from the government than they need to carry on their operations. Given the inadequate government funding of our universities, they have resorted to a cost-sharing approach towards the solution of their funding problems. This approach involves sharing the cost of university education with students and their families or guardians. Accordingly, our universities have imposed tuition fees on their students; charges for room and for the facilities students use." (https://www.modernghana.com/print/113751/1/financing-ghanaian-universities.html) This policy has drifted away from the Dr. Kwame Nkrumah initiated tradition of free university education for Ghanaians. Nevertheless, these approaches have only made a small impact in our universities' financial problems. They still rely heavily on government funding. One would think that continuous increment in fees would have ended the funding problem facing universities but that is not the case. To solve this problem of insufficient resources, these tertiary institutions have to explore other avenues for resources.

II. EMERGENCE OF THIRD-STREAM INCOME

It is as a result of these shortcomings that the concept of third-stream income comes to bear. A trend among universities that is described as using a range of measures such as knowledge transfer, community service, community engagement, and income derived from other sources than public subsidies and student fees. Higher education in Africa is funded by a combination of:

(i) State subsidies (first-stream income)
(ii) Student fees (second-stream income)
(iii) Funding from other sources (third-stream income)

In line with higher education around the world, the sector's reliance on state subsidies has declined. Also because fee income has not kept up with inflation, many universities around the globe have turned increasingly to third-stream income to fund their operations. Paul Hoskins in his article: 'Why Universities must optimize third stream revenue opportunities' said that, 'the very name "third-stream revenue" relegated a potentially reliable source of income to a status akin to something that is considered third rate and very low priority. This notion was reinforced by numerous universities' websites where the sections dedicated to "Business", presented a nebulous array of ill-defined services and offerings that were poorly targeted and non-specific in their offer.' In Ghana, many universities have virtually no idea what third stream income activities entail and even where the idea exists, there is the lack of key competencies and know-how to successfully implement them.

Third-stream income includes options such as institutional advancement, innovation, bequest, income from contract or sponsored research, entrepreneurial or commercialization activities, philanthropic funding, provision of services and investments. It seems however that many universities are yet to position themselves with the necessary strategies; leadership or business models, to optimize the opportunities that exist for third stream activity and revenue though attempts are being made.

The development and implementation of a third-stream income strategy requires a change in the way universities typically operate in Ghana. 'It seemed that few universities

understood how to market third stream services, since most have a structure optimized for the promotion of teaching, learning and research. Few have understood how to make their commercial operations relevant to their core activities.'(Hoskins, 2011). There is a culture clash between academia and commercial enterprise, which inhibits the development of third stream activity. Perhaps, the most important contention is that university marketers understand how to market to students, but have little ability to market to businesses, probably due to tight-fist budgets available. This overview of the issues affecting the development of alternative revenue sources seemed to strike a chord with the majority of people. Establishing the third stream as a part of the continuum of education and/or research will enable universities to develop commercial strategies that are relevant to the academics as well as the administrators and budget holders.

This paper seeks to delve into the institutional advancement option of raising third-stream income for universities in Ghana, highlighting the benefits, road map, challenges and the recommendations that would see the efficient and effective operation of the advancement options for universities in the ever-increasing competitive world.

III. INSTITUTIONAL ADVANCEMENT

Institutional advancement as defined by Murrel (1977); "embraces alumni relations, fund raising, public relations, internal and external communications and government relations in a unified program and seeks to foster understanding and support for universities". Advancement is a strategic, integrated method of managing relationships to increase understanding and support among an educational institution's key consultants, including alumni and friends, government policy makers, the media, philanthropic entities and the community at large. It is a daily task of universities where they are engaged in nurturing a climate for their image enhancement. Enrolment and financial forecasts for higher education in the next decade undoubtedly will place even greater responsibility on advancement programs as well as on new academic programs designed to meet the needs of the institutions' various publics. Advancement is to inspire meaningful investment in universities by building relationships that transform lives and secure private and public support that make excellence possible. It is expedient that universities interpret themselves to their constituencies. Practitioners in higher education must understand the role of institutional advancement in sustaining not only specific programs or functions of the university but the basic objectives of higher education as well.

In the light of this new trend, many universities have started moving towards advancement in order to sustain their vision and existence. Notable among such universities are Ohio University, Harvard University, University of Nairobi and Cape Town University among others. These universities have in diverse ways carved strategies for benefitting from institutional advancement. These strategies fall within the ambience of:

(i) Alumni relations

(ii) Donor relations and fund raising
(iii) Public Relations/Marketing and Communication
(iv) Partnerships and collaborations with corporate institutions.

These core activities are structured in a way to create and promote the presence of the University among its publics such as the alumni, staff, corporate bodies, donor partners (national and international), board members, parents and government. At a time when public confidence in higher education is declining and resources are getting scarce by the day, advancement programs must be clearly understood and effectively implemented if the universities' objectives are to be fully realized.

IV. BENEFITS

The essence of institutional advancement is highlighted in the need for creating networks with the university's publics, as its survival largely depends on the relationships created and sustained. As already noted, the university is not isolated and independent of its self; interconnections with other partners enables it to exist. It is prudent therefore that these relationships are fostered in order to enjoy the rippling benefits, some of which are:

(i) *Strategic promotion of brand to attract students and faculty*

Over the last couple of years, several private institutions are springing up in the country and increasing competition within the educational sector. Many universities are devising new strategies to find themselves appealing enough to prospective students since the wide array of universities present them with the decision of choice. The ultra-modern facilities available and mode of lecture delivery have shifted from the traditional one lecturer- to - many students age to the ardent stage where lectures are delivered over the internet and other advanced media platforms. Others have reduced the lecturer-to -student ratio in order to give the students satisfaction for their money. Faculties are competing for resources from both national and international fronts in order to promote their image. Advancement takes care of all these and more by viewing the students as customers and giving them value for their resources. This is done by tailoring the course structure to the current needs and trends in order that these students become relevant to society in the end and not join the "unemployed graduates association" but identify their worth and add value to themselves and the world at large.

(ii) *Industry linkages to attract funding and enhance students' employability:*

By establishing contacts with donor partners and corporate bodies, Advancement seeks to create a pool of human resources for industries to offer internship and employment opportunities to the students. These corporate bodies are also offered the opportunity to harness the potentials in the students

of the university by way of innovative and creative ideas. Advancement also paves way for certain partnerships to generate revenue and investment opportunities for the investing public. The establishment of an endowment fund and several giving societies in Ohio and Michigan State Universities for instance, have helped cater for the construction of certain facilities such as laboratories in the universities, refurbishment of the library and sponsorship for needy but brilliant students. The giving societies largely constitute alumni of the school who contribute towards certain sterling projects in the school. Advancement also helps the institution identify international donors to secure scholarships and exchange programs for their students. These programs put the university on a higher pedestal on the international front and promote the image of the university to the international community.

(iii)   *Provide alternative funding sources*

Institutional advancement outlets of certain universities outside the country have been responsible for establishing Business Innovative Centers as in University of Western Cape in South Africa. The concept of a Business Innovation Centre (BIC) when established and introduced in Ghana would serve as the vehicle for managing the implementation of the third-stream income strategy and consolidating existing efforts, such as grants and contracts management, and the current un-coordinated third-stream income-generating activities in the various faculties and departments. Globally, many institutions have passed on a portion of the burden of decreased funding onto the students through increased tuition and other fees. Given the diverse income profile of the communities universities serve, the Advancement outfit chooses instead, to adopt the strategy of complementing and supporting operational expenses by expanding its capital reserve base and income from activities such as contract research, innovation, entrepreneurship and development and paving way for growth and diversification.

V.   CORE ACTIVITIES

(i)   *Alumni Relations*

Any university's survival depends largely on its networks and a key resource is its own output; which are the Alumni of the university. The human factor would always have a role to play in terms of inclination. The Alumni who are very much inclined to the school than any of its publics, contribute significantly to the survival of the university. Though many Alumni Offices exist and play their roles accordingly, which includes bringing all alumni together under one mother body, usually in the form of Alumni Associations, Advancement has a more clearly spelt out role which does not intend to usurp and cause an overlap of the responsibilities of these Alumni Associations. What it does is to identify with all alumni and develop meaningful relationships with them. By so doing, the university is able to collate a database of their

alumni and even identify industrious sons and daughters who are making it in academia, the corporate world, the political, media and legal arena to contribute their quota to the development of the university and establish a sense of belonging. It is also responsible for developing a strategy to engage alumni and key stakeholders of the university through social networking systems. In Ohio university for example, there is a mechanism called *PHONATOM,* which allows current students of the institution to call and get to speak with an alumnus who gets to share his or her experience and offer some form of mentoring to the students. This in a way gives some form of hope and encouragement to the students and dispels their fears, especially for those who are unaware of the career path they want to tread. Other functions of the Alumni Relations wing of Institutional advancement include developing initiatives that tend to increase students' awareness of alumni programmes and institutionalizing alumni fundraising events and alumni endowments.

(ii)   *Donor relations and Fund raising*

According to Ohio Wesleyan University, Donor Relations promotes relationships with donors by offering assistance with regard to gift acceptance, gift acknowledgment, donor recognition and reporting. Donor Relations assists University Advancement's fundraising mission by coordinating special events, preparing annual endowment reports, organizing the acknowledgment and recognition for donors and serving as a resource for development of staff on matters of stewardship and recognition. The office enhances relationships with the university's benefactors by providing support to both internal and external constituents. Further, the office seeks to fortify donor trust and honor the donor's right to accurate and timely information about the use and impact of their gift(s). (https://www.owu.edu/alumni-and-friends/give-to-owu/donor-relations/). The initial strategy is to mobilize resources from University service providers who gain financial benefit from the University. The approach will ensure that giving is reciprocated through preferential schemes. In this regard, special packages will be designed to encourage donation from key university constituents. Examples of such packages are the Founder's Fund and the University of Cape Coast (UCC) Diamond Club initiative, targeted at donor companies and individuals. The second level is to develop a strategic product that targets "Very Successful Alumni" in all professional bodies, politics and business. This strategy aims at sourcing funds from Most Successful Alumni in well-positioned professional bodies both in Ghana and abroad. In return, the university will provide these Alumni with special honors, which may include naming university lanes, roads and facilities after them, providing them special publicity, providing their wards special admission packages under protocol regime, institutionalizing Guest Lectures in their name among others.

The third-phase considers foreign missions and grants offered by way of scholarship opportunities and exchange programmes for students. Advancement will support international relations units with more robust machinery that is able to quickly and efficiently forge relationships with International Offices especially in Africa and Asia (The emerging markets for student's mobility) and is able to raise

money from internationalization efforts through strategic interventions. The Advancement Services Unit will provide the strategy for raising money through internationalization efforts by securing contracts that will promote the image of the university on the international front on some very critical research and taught programmes. It also looks out for certain privileges entitled to educational institutions from these international donors to also benefit the staff through training and development sessions that some of these missions organize internally or abroad.

(iii)   *Public relations / Marketing and communication*

A very powerful area universities are tapping into is the marketing and communication sections. Pre –existed public relations offices performed the role of communicating to the university's publics which narrowly included students, alumni, board members, staff and the partners of the university. Advancement broadens the scope to include parents, donors and international community, to not only keep them abreast with information, but to identify their needs and strategize to meet these needs to the benefit of all parties. Some of the mediums used include online alumni newsletter, magazine, radio slots, souvenirs and electronic shots *(E- shots).* The aim is to promote a vibrant image of the university to its publics in the face of stiff competition.

(iv)   ***Partnerships and collaborations with corporate institutions:***

 The main brain behind this caption is to foster good relationships with corporate institutions and partners, by expanding the net of companies the university has business relations with and strengthening such relations to benefit the university. The thrust here will be to form key partnerships with industry in particular and educational institutions in areas that promise to be of strategic economic interest to both parties, by creating relationships with all the stakeholders in the area of training and consultancy services. It also calls for developing strategic fundraising programmes that are appealing enough to this sector. There is also the need to establish strong relations with professional bodies such as Institute of Chartered Accountant Ghana (ICAG), Chartered Institute of Management (CIMA), Association of Chamber of Commerce Executives (ACCE), Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Marketing Ghana (CIMG) to mention but a few. These professionals, if contacted formally can expose the University to fundraising opportunities. Some can also provide opportunities for networking with international organizations that donate or provide funds themselves. There is therefore a need to consciously build data on these professional bodies and develop programmes that can maximize the benefits to be derived. This certainly will be the calling of the Institutional Advancement.

VI.   CHALLENGES

Challenges are inevitable especially at the conceptualizing stage of every initiative. Institutional Advancement units across the world and universities, are likely to be confronted with the following challenges:

(i)   Difficulty in obtaining support from university board and other key bodies.

(ii)   Difficulty of identifying alumni, especially in an institution where proper records are not kept.

(iii)   Unwillingness of some alumni to contribute back to their alma mater based on student life experience.

(iv)   Conflict of interest in areas of institutional ownership.

VII.   CONCLUSION

Ghanaian universities have for some time not been placed among the best universities on the globe though strides are being made gradually. The question however is *"Till when?"* It is clear that the higher education sector is going through an important transition in terms of its third-stream activities. Institutions are expected to become increasingly strategic. Decisions will need to be made by institutions in the future about how to allocate resources for such activities, with different decisions depending on their policy intensions and expectations. To ensure that the universities do not die off after some time, it is prudent that they tap into the Advancement option and not be left behind time.

VIII.   RECOMMENDATIONS

To face the challenges cited above, an in-depth understanding of the advancement option is critical. There should be training workshops organized for key staff members to be enlightened on the benefits of Institutional Advancement. They would in turn educate and sensitize the university and its publics on the need to take advantage of Advancement in order to keep pace with competition and also ensure its survival over time. This is NOT to suggest that it would be in the public interest to turn universities into 'commercial' entities competing against private enterprises. Rather, the policy goal is that universities play a key public role in contributing to the development of commercial and other sectors within the society. This will require universities to develop commercial awareness and better capacity for working with the external world – but not because they should turn into profit-seeking bodies.

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