



Navigating Change: Challenges and Opportunities in Financial Management of Higher Education Institutions Within the Commerce Sector

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ABSTRACT

The strength of a nation is its education. The fulfilment of a mission is what makes an educational institution successful. Efficient use of finances is necessary to provide students with high-quality instruction and training. In the sphere of education, finances are vital. Finances are crucial to the efficient operation of educational institutions. No university or institution, regardless of size, can be founded or sustain itself over an extended period of time without sufficient funding. A wide range of academic disciplines and areas of study in many facets of the business environment are covered by modern business and commerce education. It covers a variety of topics, including as commercial and business law, human resource management, marketing, finance, and accounting. A country or region needs professional economists and accountants with advanced practical knowledge to evaluate and analyse the complexities of large-scale businesses and other financial institutions on the one hand, and to compete fiercely with multinational corporations (MNCs) on the other. The commercial professionals who have received training in all facets of the business environment are crucial in this situation. Given the aforementioned information and contemporary need, the future of commerce education appears to be quite promising. Many educational institutions have established to provide students in the field of commerce with better practical knowledge in order to take advantage of the benefits of commerce. The article centres on the present state, obstacles, and various prospects in the field of commerce education.

Keywords: *Commerce Sector, Opportunities, Financial Management, Higher Education, Challenges.*

1. Introduction

Higher education institutions that are part of the commerce sector are confronted with unprecedented problems and possibilities in the field of financial management. This is due to the dynamic nature of the higher education environment. In light of the fact that these institutions are coming to terms with altering demographics, technological breakthroughs, and changing economic environments, the ability to successfully navigate change has become an essential necessity for them. In order to successfully manage the finances of higher education institutions, one must possess a wide range of skills and abilities, including strategic vision, flexibility, and a profound comprehension of the intricate relationship that exists between academic objectives and financial obligations. The financial health of a higher education institution is not only essential to the institution's ability to remain in operation, but it also has an impact on the institution's capacity to deliver high-quality education, to recruit faculty members of the highest calibre, and to make investments in cutting-edge infrastructure.



Figure 1: Financial Management

The problems posed by the global economy and the improvements in technology have brought about substantial changes in the financial dynamics of higher education, which have been experienced by the commerce sector. In order to improve financial sustainability, encourage academic advancement, and make a contribution to the ever-evolving education sector, this study investigates the problems and possibilities that these institutions are now facing. The goal of this investigation is to uncover new financial solutions.



1.1.Financial Management in Higher Education Institutions

The administration of finances in educational institutions of higher learning is an essential component that necessitates meticulous planning, strategic decision-making, and the wise utilisation of available resources. The appropriate management of financial resources is vital for guaranteeing the long-term viability of these institutions and the provision of high-quality education. This is because these institutions play a pivotal role in shaping the future workforce and contributing to the development of society. In the following, we will discuss some of the most important aspects and factors that are involved in the administration of finances in educational institutions of higher learning.

1. Budgeting and Resource Allocation
2. Tuition and Revenue Streams
3. Endowment Management
4. Financial Aid and Accessibility
5. Risk Management

When it comes to higher education institutions, effective finance management is a multi-faceted endeavour that calls for a strategy that is comprehensive. Institutions are able to negotiate financial obstacles while simultaneously grasping chances to thrive in their educational purpose if they address issues such as budgeting, income diversification, endowment management, financial assistance, risk mitigation, technology integration, and governance. In an environment that is always shifting, the resilience and sustainability of higher education institutions may be ensured by the implementation of a financial management strategy that is both strategic and proactive.

1.2.The commerce sectors

One of the most important roles in the international market is played by the commerce sector, which comprises a wide variety of economic activities. It encompasses the trading of products and services, the conduct of financial transactions, and the facilitation of commerce between



consumers and enterprises. In addition to being a key pillar of the economy, the commerce sector is distinguished by its dynamic nature, its reactivity to market trends, and its capacity to both shape and be moulded by technology innovations. In this section, we will examine some of the most important components of the commercial sector.

1. Trade and Exchange
2. Financial Services
3. E-Commerce and Digital Transformation
4. Supply Chain Management
5. Regulatory Environment

Providing the foundation for economic activity, the commercial sector is a dynamic and varied realm that acts as the backbone of the economy. Recent developments in technology, shifts in consumer behaviour, regulatory frameworks, and the dynamics of the global economy all play a role in shaping its progress. In order to succeed in a market that is always shifting, businesses operating within the commerce sector need to negotiate these complexities, embracing innovation and taking strategic planning into consideration.

1.3.Challenges in Higher Education Financial Management: Commerce Sector

Higher education institutions are presented with a hard financial environment, which is impacted by a variety of variables including economic upheavals, enrollment dynamics, technological innovations, and the ever-changing expectations of current and prospective students. It is going to be required to adopt a comprehensive strategy, think strategically, and be flexible in order to achieve a balance between academic objectives and the capability to preserve financial stability. This compromise will be necessary in order to achieve the desired outcome. In order to thrive in the commercial sector, it is essential to investigate various financial methods, to foster innovation, and to cultivate flexibility within the organisation:

1. **Balancing affordability and quality:** The goal of commerce education is to teach information and skills that are marketable to employers, which calls for expenditures in faculty experience, facilities, and technology. However, these expenses may result in



increased tuition, which would prevent low-income students from attending the school. Finding a balance between high-quality education and cost is a difficult task.

2. **Dependence on student enrollment:** A significant portion of many colleges' funding comes from tuition. Due to their heavy reliance on student enrollment, they become more susceptible to changes in the economy, the demographics, and competition from other universities. It is now essential to diversify sources of income through business collaborations, alumni gifts, and research funding.
3. **Managing operational costs:** Labs, case study materials, and specialised software are frequently needed for commerce programmes. Operational costs are also increased by industry partnerships and university research. Financial sustainability requires maximising resource allocation, looking into cost-cutting options, and utilising technology for effective management.
4. **Aligning program offerings with industry demand:** Commerce education needs to keep pace with the evolving needs of the job market. Offering relevant specializations, incorporating emerging technologies, and inviting industry experts for guest lectures and internships are essential to ensure graduates are career-ready, but can be resource-intensive.
5. **Competition from online and alternative education providers:** Traditional universities are under pressure from the growth of alternative credential suppliers and online learning platforms. Commerce departments must use cutting-edge teaching strategies, provide flexible learning alternatives, and highlight the extra benefits of their curricula, such as career assistance and alumni networks, in order to remain competitive.
6. **Funding for research and faculty development:** The development of knowledge and industry participation are enhanced by commerce research, yet obtaining research funds might be difficult. Budgets may also be strained by funding faculty development for



ongoing research and skill development. Obtaining outside financing and promoting cooperative research initiatives are crucial tactics.

- 7. Lack of transparency and accountability:** A few organisations come under fire for their dishonest financial methods and lack of shareholder responsibility. Building confidence and enhancing financial credibility may be achieved by putting in place reliable financial management systems, making sure budgeting procedures are clear, and having frequent conversations with students and alumni.
- 8. Navigating government regulations:** Government restrictions pertaining to financing, fees, curriculum, and recruiting apply to all higher education institutions, even those in the commercial sector. It can be difficult to follow these rules while preserving academic freedom and financial flexibility.
- 9. Measuring return on investment:** It can be challenging to prove the return on investment (ROI) for commerce education, particularly for non-profit organisations. To highlight the value offer and draw in new students, it might be helpful to monitor graduate employment rates, income information, and career advancement.
- 10. Embracing data-driven decision making:** Using analytics to comprehend student preferences, course success, and resource utilisation may help guide strategic financial decisions in a world rich in data. Investing in analytics knowledge and data infrastructure might yield insightful information for streamlining programme offers and resource allocation.

It is possible that higher education institutions operating in the commercial sector may be able to achieve financial sustainability if they handle these difficulties. Furthermore, it is possible that these educational establishments are able to offer students an education of exceptional quality, which will equip them with the skills necessary to attain successful professions in an atmosphere that is characterised by its dynamic nature.



1.4. Research Objectives

The objectives of the study are identified as:

1. To examine and evaluate the commerce education in present scenario.
2. To Identify Key Financial Challenges.
3. To study the weaknesses of job-oriented commerce education.
4. To know the job opportunities in commerce education.

2. Literature review

Al-Hawaj and Elali (2008) Kezar explores the nuances of organisational change and leadership in academic institutions in his book *Leading Change in Higher Education: A Values-Based Approach*. Kezar emphasises the integration of institutional values with strategic transformation activities through the adoption of a values-based strategy. This study covers the complexities of managing cultural transformations and including faculty in the change process, in addition to emphasising the value of strong leadership in navigating the rapidly changing environment of higher education. A financial viewpoint is added to the analysis of modern higher education by Knight's *Financial Management in Higher Education: Strategies for a Turbulent Environment*. The author provides strategic insights into academic finance management while navigating the difficulties presented by the changing economic landscape.

Birnbaum's (2008) Through his investigation into the cybernetics of higher education, Birnbaum offers a distinctive and perceptive viewpoint that sheds light on the inner workings of universities and colleges. By using cybernetic principles, a theoretical framework that transcends traditional analyses is provided, allowing for a greater comprehension of the complex dynamics governing educational systems. The understanding that higher education functions as a complex system impacted by a wide range of interrelated elements is the fundamental tenet of Birnbaum's methodology. With its focus on information processing, feedback loops, and system dynamics, cybernetics serves as a potent lens through which to study the complex interactions and procedures that occur in academic contexts.



Breneman and Leslie's (2005)The groundbreaking study on funding postsecondary education critically dissects common misconceptions and facts about the financial side of academics. By dispelling popular myths, the writers undertake a sophisticated study that greatly advances our knowledge of the complex economic dynamics influencing the higher education industry. The idea that there is a single finance model for higher education that works for all students is one of the main illusions that this study dispels. The writers analyse the intricacies of financial arrangements at a variety of establishments, taking into account the fact that colleges and universities function in different economic environments. The analysis highlights the necessity for customised finance strategies that complement the distinctive qualities and purposes of various academic institutions by debunking the myth of uniformity.

Davies and Davies (2011)examine the nuances of personnel management in the classroom while highlighting its strategic implications. Their research emphasises how important it is for leaders in education to aggressively seek out and develop talent inside their institutions. Effective talent management, according to the authors, is more than just hiring; it also entails strategic planning to guarantee that each employee's abilities and skills are in line with the institution's larger aims and objectives. Since the writers view human capital as a strategic asset, they support a comprehensive strategy that incorporates people management into the broader organisational plan.

Deem, Hillyard, and Reed (2007)Scholars have recently critically examined the transforming effects of new management techniques on academic practices by delving deeply into the confluence of knowledge, higher education, and managerialism. This corpus of work is the result of a deliberate attempt to thoroughly examine how the environment of knowledge creation in universities is changing, paying close attention to the complex dynamics influenced by managerial ideals. The subtle examination of how managerialism—which is defined by a business-oriented approach to organisational governance—has crept into the historically independent field of academia is at the heart of these conversations. Academics contend that a paradigm change in the way university's function and generate knowledge has been brought



about by the invasion of management methods, which are frequently taken from the business sector.

DeMillo and Ewell (2009)By adopting a strategic viewpoint and questioning conventional methods, the study under review makes an important contribution to the continuing conversation about financial planning in higher education. In an environment where demographics, educational paradigms, and fiscal complexity are all changing, the report becomes an indispensable tool for organisations looking for creative and flexible financial solutions. The report's reinterpretation of conventional financial planning techniques is fundamental to its value. Through a critical analysis of traditional procedures, the paper seeks to offer new insights that are more in line with the current issues that higher education institutions are facing. The dynamic financial landscape in academia, where variables like enrollment swings, erratic external financing, and changing student expectations call for a more strategic and forward-thinking strategy, makes this reassessment more important.

Keller's (2009)Investigating new technologies in higher education is essential to comprehending and using the revolutionary potential of technology developments in the classroom. The author traverses the existing educational landscape with an eye towards the future, anticipating how technology may change teaching and learning approaches rather than just looking back at its historical significance. With so many tools and platforms available to influence the educational experience, technology has become an essential part of today's higher education scene. Traditional ideas of pedagogy are being revolutionised by immersive learning settings, online collaboration tools, and virtual classrooms.

Kezar's (2006)A thorough examination of change management in academic settings may be found in works on leading change in higher education. Using a values-based methodology, the author emphasises how crucial it is to match institutional values with strategic transformation projects. Kezar explores the potential and difficulties of leadership in higher education, focusing on topics like faculty involvement, organisational culture, and the ever-changing character of the



academic environment. For academic leaders, administrators, and legislators looking for practical ways to deal with change in the higher education industry, this book is a great resource.

Knights (2006)An analysis of higher education's financial management provides insights into the tactics needed to negotiate the unstable financial climate that frequently surrounds academic institutions. The author offers a useful framework for financial sustainability together with a comprehensive examination of the unique financial issues facing higher education. For administrators, financial officers, and legislators looking for a thorough grasp of financial management concepts specific to the higher education sector, this study is especially pertinent.

Leslie and Brinkman's (2008)The Review of Higher Education essay centres on the developments in financial aid and their implications for public two-year colleges. The authors examine the changing financial assistance environment using a research-driven methodology, providing insight into the consequences for students, institutions, and policymakers. The paper advances the general discussion on affordability, accessibility to postsecondary education, and the effect of financial assistance regulations on student achievement. Academics, decision-makers, and professionals who want to comprehend the complexities of financial assistance in the unique setting of public two-year institutions will find this research to be quite informative.

3. Research Methodology

A significant portion of the material that was necessary for this inquiry was gathered from secondary sources, which included journals and newspapers, among other types of publications. Through the utilisation of government papers, research journals, magazines, books, and websites that are accessible over the internet, the data collecting process has been successfully accomplished. These actions have been taken with the purpose of achieving the goals that have been outlined in the previous paragraph. Conducting this study provides the incentive to identify the defects in commerce education and to give remedial techniques that, if applied, would lead to an improvement in the degree of professionalisation that can be acquired via commerce education. This study is being conducted in order to provide this motivation.

4. Data Analysis

Table 1: Overview of Progress for the 2008–09 and 2009–10 Indicators Achievements at the Higher and Professional Education Levels

Indicator	Higher and Professional Education Level Achievements
Enrolment in universities and colleges (Regular Streams) (2008-09)	257.36 lakh
Enrolment in Distance learning	66.29 lakh
Enrolment of women (Regular Streams) (2008-09)	71.91 lakh
Percentage of women in professional courses (2008-09)	29.56%
Intake in Technical Education	28.65 lakh
Institutions in Technical Education	12,478
Number of Universities	722 (as on Aug. 2010)
Number of Colleges	44,134 (as on Aug. 2010)
Faculty	7.88 lakh
Academic Staff Colleges	77
National Assessment and Accreditation Council	2,526 colleges and 268 universities as on 28th March, 2009

4.1. Progress and Achievements during 2009-2010

When the year 2009-10 is seen from a retrospective perspective, it is clear that the higher education industry saw a remarkable expansion throughout that time period. At current time, there are a total of 44,134 colleges, of which 3,982 are schools that are specifically created to accommodate female students. In addition, there are 722 universities and other institutions that are equivalent to universities.

Table 2:Creation of New Central Institutions of Higher Learning

S. No.	Type of Institution	number	
		Existing at the end of X Plan (31.03.2005)	Total during XI Plan (2005-2011)
1	Central universities	20	54
2	IITs	8	26
3	NITs	21	41
4	IISERs	3	6
5	IIMs	7	22

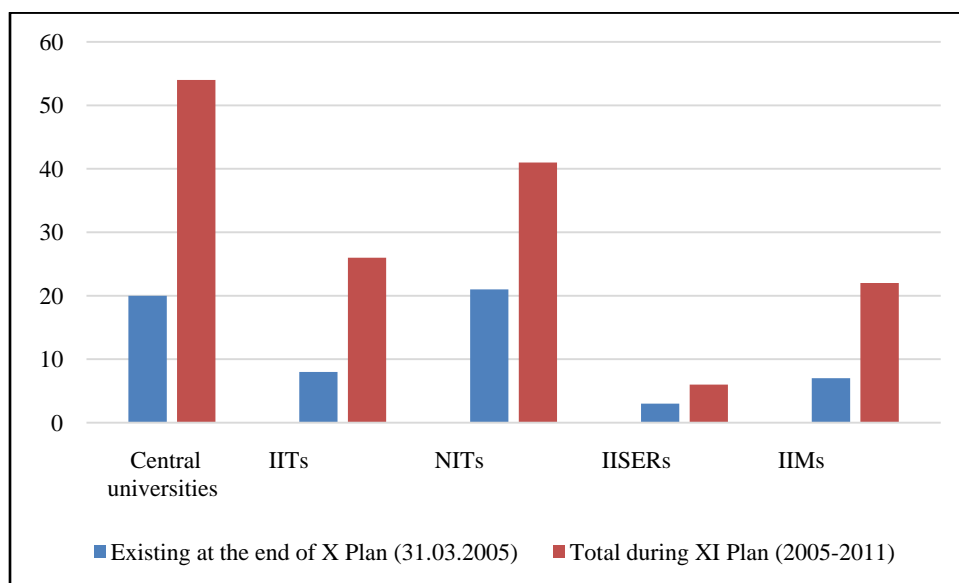


Figure 2:Diagrammatic Representation of the Creation of New Central Universities

4.2.Expansion of Central Educational Institutions:

Through the development of central higher education institutions, the actions that have been done by the Ministry of Human Resource Development have provided a boost to the extension of access. With the exception of Goa, every state has at least one Central university of national character. This is done at the request of the state government that is responsible for that state. By the conclusion of the 2009-10 academic year, all thirteen of the newly established Central universities, with the exception of the Central University of Jammu, had begun their academic operations from temporary facilities. The University Grants Commission (UGC) supplied major funding to the three institutions that had previously been state universities and had since been turned into central universities. This was done in order to satisfy the requirements of expanding facilities, programmes, and teaching posts.

Table 3:Students enrolled in higher education across all of India, broken down by field of study

Faculty	2004-05 (%)	2009-10 (%)
Arts	27.24	27.12
Science	21.00	21.00
Commerce	12.12	24.04
Education	15.7	5.02
Engineering & Technology	8.32	11.74
Medicine	4.29	4.16
Agriculture	2.69	1.44

Veterinary Science	3.26	1.28
Law	4.16	2.2
Others	1.22	2.00
total	100	100

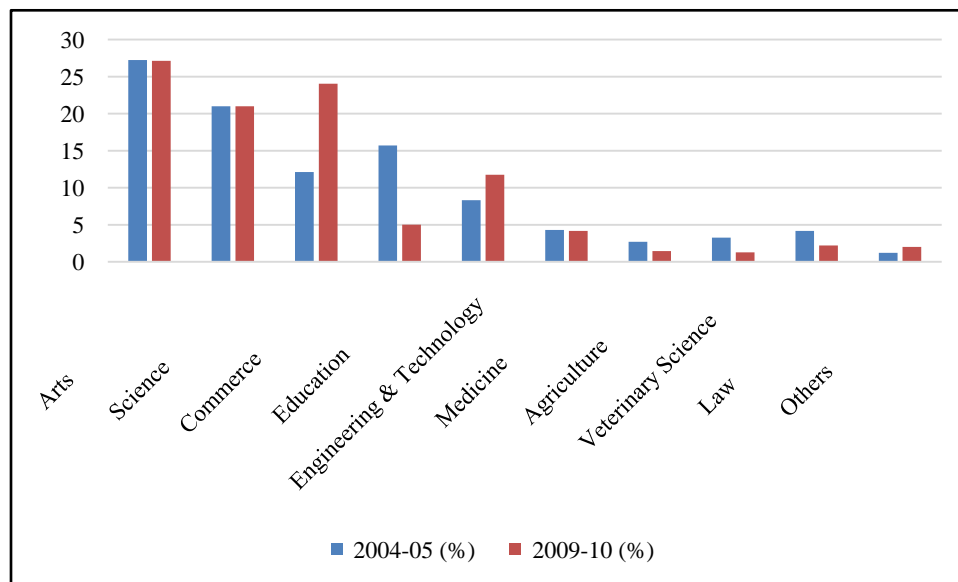


Figure 3:Graph showing the distribution of students enrolled in higher education throughout all of India by field of study

It is evident from the enrollment numbers for higher education that are broken down by faculty for the years 2004–2005 and 2009–2010, that the number of students enrolling in classes that are connected to management and commerce has decreased. Due to the fact that the majority of people are not aware of the work opportunities that are accessible in this profession, this indicates that education in commerce is not in demand among the generations who will come after us.



5. Conclusion

A good commerce course introduces the learner to many accounting concepts and company management techniques. It is anticipated that he would completely utilise the knowledge acquired to forge a solid entrepreneurial foundation and assimilate into a company's financial core. A competent commerce graduate, in the opinion of many industry experts, will be knowledgeable in both the horizontal and vertical facets of business administration, and he is essential to a successful enterprise, as is his subordinates' cooperation, who should logically emulate him. Universities worldwide have both new difficulties and possibilities in the free market, particularly in the areas of business education and global trade. Colleges must uphold high standards, develop a multicultural and multidisciplinary viewpoint, be able to work in a variety of work cultures, have strategies for planning and development, have modern infrastructure, and be able to internationalise their curricula and courses to allow for greater staff mobility across borders in order to succeed in a world without borders. Our market is large, and the needs of our customers are diverse. As a result, we must provide a variety of courses rather than just one. Our courses must adapt to the rapid changes that are occurring in the world. As a result, we must adjust to the changing environment.

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