

BUDGETING SHORT-TERM CONTINUING EDUCATION / RETRAINING PROGRAMMES FOR WORKING PROFESSIONALS

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INTRODUCTION

In this age of science and technology, technological developments are taking place at amazingly fast rate. The professionals working in industries and other service sectors must keep abreast of these developments taking place in their fields, if they have to survive in this competitive world. For this, the professionals need to attend short-term retraining programmes to meet the demand resulting from their modified roles/responsibilities and job profiles. Identified engineering institutions/organizations, professional bodies, engineering colleges and polytechnics should take this responsibility of organizing and conducting training/ retraining programmes. Adequate funding is a pre-requisite for this onerous task. Budgeting these short-term retraining programmes for working professionals assumes added importance as these programmes are expected to be financially self-supporting in nature. It therefore becomes imperative to look for ways and means of raising funds to meet various expenditures in organizing these programmes, so that these

initiatives are not bogged down due to paucity of funds.

BUDGETING, AN IMPORTANT DIMENSION

With the advent of emerging technologies and ever increasing population aspiring for technical education, the funds required for retraining of working professionals are becoming scarce day by day. The institutions organizing continuing education and retraining programmes for professionals are now called upon to generate their own resources than to look to the government for funding. This is in tune with the present policy of economic liberalisation of the government which is now allowing technical education to be imparted by private sector also where 50% of those admitted have to pay fully for their education.

Against this backdrop of resource crunch, the technical institutions organizing continuing education/retraining programmes should explore various avenues to harness potential sources of revenue generation. At the same time, the training programmes should be so

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budgeted and organised as to meet the expectation of the participants both in terms of academic input, its quality and comfortable and conducive environment of course conduction. Proper budgeting of such programmes is therefore of paramount importance for planning of income and expenditures.

FACTORS AFFECTING BUDGET

For budgeting a short term training programme, one needs to take into consideration apart from other things, the following three important factors, which have a direct bearing on the expenditure.

1. Type and level of working professionals to be retrained
2. Content and duration of the education/retraining programmes
3. Nature and level of the institution organizing the programme

Even a subsidy from the government may only partly meet the retraining requirements. The funds received therefore need to be optimally used for the purpose. The various potential sources from where revenue could be tapped are as follows :

SOURCES OF REVENUE

1. Central Government

The Government of India does not provide any finance for retraining of professionals on course basis directly. However, if certain proposals are submitted to the Government Departments/Ministry in the form of projects, these are financed if approved. An example of such a funding is the Government of India's Continuing Education

Project 'UPDATE' where the funds flow from MHRD for the project activities as envisaged in the project document.

2. State Government

Some departments of the state government partly finance the continuing education/training programmes for the working scientists and engineers on course basis. This could be of the order of Rs. 15,000/- or so for a short term programme of 3 to 5 days duration. M.P. Council of Science and Technology (MAPCOST) is one such organization in Madhya Pradesh which supports these thrusts.

3. Foundations and Trusts

There are some charitable foundations, trusts, clubs etc. which sponsor education/training activities for the welfare of the society/community. The generosity of these foundations could be tapped. Ford Foundation of USA provides for the education and training of Indian professionals deputed to America for this purpose on selective basis. Foundation/Charitable Trust funding becomes essential for offering courses for low income groups, which cannot afford to pay high course fees.

4. Employers

Employers normally pay for the retraining cost of the professionals working for them, since employers are the ones which are most benefitted by the retraining of their employees in the form of higher efficiency and increased productivity. The amount spent on retrain-

ing of the employees is much less than the returns that accrue therefrom.

5. Individuals

With increasing professionalism, competitiveness and entrepreneurship, professionals wish to stay up-to-date in their own fields even if they themselves have to pay for their continuing education and retraining programmes. Architects, Structural Design Engineers, Maintenance Engineers/Contractors and Medical Professionals etc. like to attend these programmes even if they have to spend money from their own pocket. Additionally these programmes provide them an opportunity for interaction with other professionals working in the same field.

6. Industries

Industries are generally very co-operative in extending a helping hand in the organization and conduct of training programmes for working professionals. They provide course materials, throw open their conference hall and other facilities for use by the course participants and even offer lunches/dinners to the course participants if approached. Such hospitalities of the industries can be utilised if conditions so warrant.

7. Advertisements

Since these courses are targetted for a specific group, companies or business organizations supplying raw materials to these groups would like to advertise their

materials/products in these courses in the form of banners, leaflets, posters, exhibitions, demonstrations etc. Organizers may charge some fee for permitting them to advertise at the course venue.

8. Alumni

Alumni of an institute, who have acquired wealth and status have soft corner for the institute. They like to help their Alma Mater by cash or kind. Their help can also be taken by seeking the sponsorship of their employees for the training programmes. They can also help by giving advertisements in the proceedings/souvenir brought out on the occasion.

The funds so collected should be judiciously used to meet the various expenditures in conducting the training programmes. The various expenses which can be classified under 'Fixed' and 'Variables' are as follows.

FIXED AND VARIABLE EXPENSES

In conducting a training programme, there are some fixed expenses which are more or less independent of number of participants while there are others which are in direct proportion to the participant number. These are :

(a) Fixed expenses towards

- (i) Advertising, mailing, postage, inaugural and valedictory functions etc.
- (ii) TA and DA of the external experts
- (iii) Honorarium to the external experts

- (iv) Honorarium to the internal experts
- (v) Remuneration to the supporting/clerical/technical staff
- (vi) Transportation for industrial visits, demonstrations etc.
- (vii) Rent for room, furniture and other facilities like PA system. OHP, TV Monitor, VCR etc.
- (viii) Miscellaneous

b) Variable expenses towards :

- (i) Lodging and boarding of participants
- (ii) Course Materials, stationery etc.
- (iii) Participants travel if required
- (iv) Overheads

It is thus apparent that a good proportion of the total expenditure is independent of number of participants. So if the number of participants is more, then these expenses per participant will become less. In other words profitability will improve. The organizers therefore should ensure that the number of participants are sufficient so that the training programme is financially viable.

Out of the above (a) i,ii,iii,vi,viii and (b) i, ii and iii are the expenses which are to be born directly and immediately by the organizers while (a) iv, v, vii and (b) iv are indirect expenses for which payment could be delayed or these expenses could be absorbed or internalised by the institute conducting the programme.

It will be in place at this juncture

to consider an illustration of a cost-estimate for a short-term programme of one week duration based on different expenses to be incurred under various heads.

COST ESTIMATE OF A SHORT-TERM RETRAINING PROGRAMME TO BE CONDUCTED BY AN ENGINEERING INSTITUTION

The assumptions made in conducting this programme are as under :

1. It's a short-term programme of 5 working days.
2. There are 6 working hours per day.
3. The minimum number of participants is 15.
4. Participants shall pay separately for their travel, boarding and lodging. Only working lunches, morning and afternoon teas shall be provided by the course organizers.
5. Expenses like room and furniture rent and other overheads are not being taken into account in this estimate.
6. The programme is not hi-fi but of moderate nature for a middle level manpower like supervisors, foremen, junior engineers, assistant engineers, senior technicians etc.

The various heads and expenditures are as follows :

S. No.	Head	Approximate Expenses (Rs.)
1.	Honorarium to the faculty @ Rs. 100 per hour	3000.00

2.	Remuneration to the supporting staff	
	(a) Ministerial staff, typist etc.	500.00
	(b) Lab Technicians	500.00
	(c) Helpers	250.00
3.	Announcement, advertisement, brochures, postage, visits etc.	2000.00
4.	Course materials and stationery to the participants @ Rs. 250/- per participant	3750.00
5.	Working lunch, tea etc. @ Rs. 40/- per day	3000.00
6.	Transportation charges etc. for visit to local industries, site seeing etc.	1000.00
7.	Miscellaneous and contingencies	1000.00

Total	Rs. 15000.00
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Expenses per participant per week = $15000/15 = \text{Rs. } 1000/-$

Therefore for 'break-even point' i.e. no profit no loss, a minimum course fee of Rs. 1000/- be charged from each participant if their number is 15. However this figure could be suitably amended if the number of participants is more or less.

ROBINHOOD PHILOSOPHY

This is an example of a cost estimate for quite moderate arrangements for a course say for lower level executives or supervisors. If we reduce the facilities, we can bring down the course fee per participant per week by 100 to 200 rupees. But to decrease it further is practically impossible. If participants are of technician level and if they have to pay from their pocket then it becomes difficult even to charge this amount. How funds should then be arranged for such courses ? Should we run such courses in loss ? Answer to this is that in the interest of development of industries and the society at large, we should organize courses for lower level personnel even if they run somewhat in loss. The question then arises where from funds will come for such courses. One of the plausible solution is that funds for such courses can be arranged through donations, advertisements etc. or else we can adopt what is known as - Robinhood Approach i.e. we should earn profit from the courses organized for higher level and high income group persons and use this profit to subsidise the courses for lower income group persons. This is very much in consonance with the "Robinhood Philosophy" which says :

"Take from the richer clients and give it to the worthy poors".

CONCLUSION

Retraining programmes as envisaged are of self-supporting nature and all the expenditure for the various activities of the programme is to be met from the revenue received mainly as

registration/course fees of the participants. This premise supposes that the course material development cost is very little i.e. organizing institution is using learning material prepared by some other agency without much change. Also this assumes that there will be an assured participation of some minimum number of participants. However, it may happen that a course is announced and some expenditure incurred on that count, there is no encouraging response from the targetted population. In such a situation, programme may have to be cancelled or postponed. To set the ball rolling, there must be some sort of "reserve fund" or "seed money" made available to the technical institutions for mounting courses in the initial phase. The initial expenditure done could be met from this fund till such time the amount is collected through registration fees of the participants.

It is just possible that some programmes may end up in loss. Such exigencies could also be met from the reserve fund. However, to sustain this thrust, it is necessary that most of the proposals are economically viable. That depends upon the ingenuity and dynamism of the persons organizing programme, how much aware and sensitive they are about the needs of their clients and how much support, co-operation and participation they are able to secure from the client organizations.

In addition to this there are some Government and Private Agencies which can give grant for organizing training programmes for working professionals and for promotion of

science and technology. The possibility of getting financial assistance from such agencies for organising programmes could also be explored, as discussed earlier. Last but not least, we should NOT forget that even if providing continuing education/retraining to the working professionals is COSTLY, not doing so may prove to be COSTLIER.

With the spread of the technical institutions even to semi-Urban and rural areas, it should not be a prerogative to conduct continuing/retraining of only a few established institutions. The contents of this article is expected to help all institution to plan such re-training.

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