

More for less

*Cost cutting methods to
lower the cost of Education in
Uganda:
A case of Greenhill Academy
Schools*

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**More for less - Cost cutting methods to lower the cost of
Education in Uganda:
A case of Greenhill Academy Schools**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF BUSINESS AND
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ABSTRACT

The cost of education in private schools in Uganda, especially in urban areas has increased tremendously over the past decades, making it difficult for learners from low-income households to access quality education. Anecdote evidence suggests that the high cost of education in private school could be a result of high operational costs the schools face providing education services. The purpose of the study was to identify the ways in which private schools can lower their operational costs to make their services more affordable and accessible.

This Study sought to review literature on the economic and social importance of the private education service providers to the economy and society of Uganda.

Greenhill Academy Schools were used as a case study to explore the study question because they are some of the private schools in Kampala where a range of cost cutting measures implemented have led to a reduction of cost incurred while giving their students a high quality, world class education, maintaining the highest standard (*Platinum Grade according to Ministry of Education and sports in 2012*) without a huge increase in the tuition fees.

The study adopted a descriptive research design and used a view of secondary sources and interviews were the key informants. 12 members of staff of were interviewed. The respondents were selected from 8 departments to ensure an objective and institution-wide view was attained from the survey.

The Study revealed that cost cutting methods had been put in place in by Greenhill Academy schools and they included, rainwater harvesting and use of solar systems for lighting to reduce reliance on National Water and Sewerage Corporation and UMEME respectively. Also use of price-capping in procurement and buying goods in bulk at wholesale rather than retail prices. The School also instituted restrictions on access to electricity for lighting and ironing, used LED energy saving bulbs and appliances; to lower the expenditure on Electricity. By use of recycling and short term investment of collected funds in fixed deposit schemes they offset loss in time value of the funds collected. By using a strict budget and procurement discipline with regular reviews the schools saved on their yearly expenditure on goods bought.

The respondents also proposed other means of lowering the cost of education, not currently being used at Greenhill, but which could be implemented to cut the costs of Education. These include recruiting a leaner but more efficient academic and support staff, and payment of allowances only when accrued rather than as part of consolidated pay. These may not be in place at Greenhill but can be viable options.

By implementing these strategies the Greenhill schools were able to reduce the cost to income ratio to 74.8% from rates that were higher than this in the previous years.

This study shows that there a range of cost cutting measures that private schools can adopt to lower the cost of education.