



COST AND QUALITY IN THE EDUCATION PROCESS

Andi Warisno

*The Chairman of Annur Islamic High School Lampung, Indonesia
e-mail : warisno@gmail.com*

Abstrak

Although education cost is not the only factor to create quality, a good education process is highly determined by the sufficiency of funds. Cost is one of the resources that directly supports the effectiveness and efficiency of education management. The higher the education cost spent, the greater the quality of education that one will experience.

Keywords: *Education Cost, Education Quality, Education Process*

A. Introduction

As a system, education consists of three components: inputs, processes, and outputs. The input component covers three areas, including: 1) instrumental inputs, which consists of teaching programs, learning sources and materials, learning methods and media, learning facilities, teachers/educators, and instructional system management; 2) raw inputs, which means that students have basic skills and potentials such as learning ability, achievement, attitude, interest and motivation, habit, personality and maturity; 3) environmental inputs, consisting of nature (time and location), family social economy, culture, society, etc.

The second component in the education system is the education process itself. It is the process of how the educational activities are developed, largely applied through management and teaching-learning activities, or commonly known as the teaching-learning process. Through the management function, education is processed in at least four steps, they are: educational planning, educational organizing, educational

directing, and educational supervising.¹ These four functions are usually simplified into three processes called planning, implementing, and supervising. In the learning process, however, the educational activities involve teachers' tasks such as planning for teaching, implementing the teaching, and evaluating the teaching-learning activities.²

These two education components will finally result in the third component that is the outputs in the form of student learning outcomes. It can be attitude, knowledge, and skills that the students obtain after completing the education programs.

When connected with the education cost, the overall components cannot be separated with it. To achieve a high education quality, it all depends on the quality of education process. One cannot obtain a fine education quality when the education process is poorly conducted. A complete and good input is needed to assure the well-implemented process in education. As a raw input, students have to consume nutritious food, sufficient books and learning tools, and also have good transport to school. All of these activities require cost. Therefore, a good education process is highly influenced by sufficient funds.

B. Education Cost

1. The Concept of Cost

There are a number of resources that needs to be paid according to their respective price when running the education. The price of the resource is called the cost, whereas the resources used are called the education cost. The education financing is any activity to provide funds allocated in the education process.

¹Hasibuan, Malayu S.P. (1996). *Organisasi dan Motivasi*. Jakarta: Bumi Aksara. p.19

²Suryo Subroto.(1997). *Proses Belajar Mengajar di Sekolah*. Jakarta: Rineka Cipta.

It should be noted that not every price is cost. In the business field, the resources used to achieve goals are referred to as sacrifices because these sources of funds cannot be utilized the second time. Additionally, not all sacrifices are called cost since only the economically rational sacrifices with certain characteristics are truly called cost. The characteristics are as follows: 1) the sacrifice is able to be predicted in the beginning or can be calculated, 2) the sacrifice is inevitable, 3) the sacrifice can be calculated quantitatively and is firmly attached to the production.

Extravagance is not a cost, rather a loss because the cost will involve outputs. Anything wasteful will undermine efficiency; yet, cost refers to the efficiency and effectiveness. Education world uses the economic concepts, calculates cost strictly because of the funds limit. Therefore, it needs to set stages and priorities.

Idochi Anwar states that financing of education is an activity related to the effort to seek for the sources of funds and to use the funds in the education process. Thus, the educational finance has at least three aspects: revenue (sources of funds), expenditure which is the obtained-funding allocation, and the accountability of the fund use.³

2. Cost Benefits

Cost is one of the resources that directly supports the effectiveness and efficiency of education management. However, education cost is the most controversial issue in the educational economy because of the government's, which plays a key role in education, disagreement and also the education implementation.

³Anwar, Moch. Idochi.(1990). *Organisasidan Administrasi Pendidikan Teknologi dan Kejuruan*. Jakarta: P2LPTK Dirjen Dikti Depdikbud.

The government should have an active role in the education regarding the state protection of the minority groups, externality effects, and education efforts to realize their role in the society, the equality of opportunity, the seeking and discovery of common values as well as educational effects and economic growth. The cost of education is not necessarily synonymous with money, but with all of the sacrifices provided for each activity in order to achieve the purpose of education.

According to Mishan, the benefits of cost are to recommend the policy actions in the future (*ex ante*) and to evaluate the performance of the policy. Modern cost benefits are based on the economic field that treats the issue of maximizing social welfare, the economic aggregate satisfaction enjoyed by all members of society. This field of study is called welfare economics mainly because it is specifically directed at how public investment can contribute to maximize the net income as an aggregate measure of satisfaction (welfare) in the community. The cost benefits have some of the following characteristics: 1) cost benefits try to measure all costs and benefits for the society resulted from the public programs, including intangible materials that costs and benefits cannot easily measure in money; 2) traditionally, the cost benefits symbolize the economic rationality since the criteria are largely determined by the use of global economic efficiency. A policy or program is said to be efficient when the net benefits minus the total cost are greater than zero and higher than the net benefits that may be generated from a number of other investment alternatives in the private and public sectors; 3) cost benefits traditionally use the private market as a starting point in providing public program recommendations. The probable costs of a public investment are always calculated based on the net benefits that may be obtained by investing in the private sector; 4) contemporary cost benefits are often

called social benefit costs, which can also be used to measure the redistribution of benefits as the cost of benefits emphasizes the criteria of fairness and consistent with social rationality.

Cost benefits have several strengths. First, both benefits and costs are measured in dollars (money) as a unit of value. This makes it possible to reduce the cost of benefits, a way that is not possible to conduct in the model of cost effectiveness. Second, cost benefits enable a comprehensive view at policies or specific programs and link the benefits to the total society income. Third, cost benefits make it possible to compare wide programs in different fields because the net efficiency is expressed in the form of money.

Cost benefits of both traditional and contemporary aspects have some limitations. First, the ever-exclusive pressure on economic efficiency, meaning that the criterion of fairness becomes meaningless and inapplicable. In practice, the Kaldor-Hicks criterion has ignored the benefit redistribution issues while the Pareto criterion rarely resolves the conflict between efficiency and fairness. Second, the value of money is inadequate to measure responsiveness due to varied income among people. Third, when the market price does not exist for an important item, it often forces people to create a shadow price, which is a subjective estimation about any price of which the citizens have no desire to pay for certain goods and services.

C. Quality

Quality in the education cost context is about the basic needs that can be fulfilled with a small amount of money; or in other words, at a

small cost, one can achieve good quality. There are families whose needs can be completely fulfilled with only Rp. 500,000, but there are also families whose conditions are not good with Rp. 1,000,000. Thus, the use of the money is not the same due to the capability of managing cost/money. Based on the previous descriptions, the quality basically involves the effectiveness and cost efficiency.

1. The Concept of Effectiveness

Experts give different terms of effectiveness because of the different views of how the meaning is attributed. Gibson views effectiveness from three perspectives: a) effectiveness from individual perspective; b) effectiveness from group perspective; c) effectiveness from organizational perspective. It means that individual effectiveness occupies the basic position of the organizational effectiveness context. Individual perspective emphasizes the performance of every member in completing their duties. However, the ability of individuals in performing their duties effectively is strongly influenced by various factors, including skill, knowledge, capability, attitude, motivation, and stress.⁴

In daily life, not every individual works alone, but within a group. Group effectiveness is another type of effectiveness. The group effectiveness is materialized from a collection of individual effectiveness; yet, a combination of effective individuals does not automatically produce an effective group. In general, group effectiveness is largely determined by the level of group cooperation, leadership, group structure, status, respective roles, and prevailing norms within the group.

⁴Gibson and Ivancevich. (1996). *Organissi, Perilaku, Struktur*. Jakarta: Erlangga.

The third perspective is organizational effectiveness. An organization exists because of the existence of individuals and groups. Therefore, the effectiveness of the organization is realized because of the individuals and groups effectiveness. The organizational effectiveness is not merely a collection of individual and group effectiveness. An organization is a complex cooperation system whose effectiveness is determined by more complex factors such as environment, technology, strategy, structure, process, and cooperation system. Lipham and Hoeh argue the effectiveness of goals as “effectiveness relates to the accomplishment of the cooperative purpose, which is social and non-personal in character”. They state that effectiveness is related to the achievement of group goals and not personal goals. This means that an organization is said to be effective when the group goals in the organization can be achieved. An organization is not yet effective even though the personal goal have been reached.⁵

From these statements, it can be concluded that the study of the use of cost effectiveness should be viewed systematically, starting from input problems, processes, outputs, and outcomes. The indicator of cost effectiveness is not only quantitative, but also qualitative. Based on the various perspectives of effectiveness, it can be explained that the concept of effectiveness is closely related to achieving goals or results. The concept of using cost-effectiveness refers to the result of goal achievement in using funds.

2. Effectiveness and Efficiency

Effectiveness and efficiency are the indicators of productivity. Effectiveness refers to the achievement of a program target in quantity

⁵ Lipham M, H. and James, A. (1987). *The Principalsip, Foundation and Functions*. New York: Harver and Row Publisher.

and quality. The greater percentage of a program target achieved, the higher level of effectiveness will be.

Effectiveness is related to quality while efficiency is a reflection of the relationship between the quantity of inputs and outputs. Efficiency is related to the number of inputs needed to produce outputs and the extent of waste. Effectiveness is a reflection of the ability to influence the occurrence of a product. Effectiveness shows the magnitude of influence on a production process.

Ahmad Sanusi states that effectiveness emphasizes on the relevance of the adaptability of a decision in the plans and programs to the dynamics of values in the interpersonal relations of employees and the socio-cultural environment. Efficiency is defined as an attempt to measure and to test the empirical relationship between output and input. In terms of product, efficiency occurs when the minimum cost incurred can produce an equivalent benefits. Efficiency marks a strict border between the maximum amounts of cost to finance some inputs quantitatively and proportionally so it may produce a number of outputs according to predetermined quality standards.⁶

D. The Process of Education Financing Management

There are three stages (functions) in the financial management: 1) financial planning, 2) implementation involves accounting, and 3) evaluation involves auditing. Budgeting contains preliminary decisions for the next stage of the interconnected cycles. The budgeting implementation covers strategies to seek/obtain the sources of funds, to receive and use them as well as to bookkeep (accounting), and how to accept and use the funds that are accountable.

⁶Sanusi, Ahmad. (1998). *Pendidikan Alternatif, Menyentuh Aras Dasar Persoalan Pendidikan Dan Masyarakatan*. Bandung.

Meanwhile, according to Ronal W. Rebore, the main components of financial management are: a) budgeting procedures, b) financial accounting procedures, c) expenditure, warehousing, and distribution procedures, d) investment procedures, and e) inspection procedures. Based on the above description, it can be concluded that the financial management process consists of strategy, planning, implementation, and accountability.⁷

1. Educational Institute Strategy in Fundraising

As an educational manager and leader, a school principal should be able to make efforts in managing the resources and the types of funding sources contained within the school. The said strategies are implemented through several activities such as:

- a. Conducting the internal and external analysis of the school regarding the potential and existing funding sources.
- b. Identifying and predicting the sources of funds to explore.
- c. Deciding sources of funds that can certainly be a source of income, such as: (i) deliberation with the parents of new students at the beginning of school year; (ii) deliberation with the teachers' board to develop school cooperation; and (iii) organizing student sporting events that use school facilities from which the participants or sponsors need to pay certain amount of money.⁸

2. Financial Planning in Funding Management

Planning in the financial planning is an activity to plan the sources of funds needed to achieve the organization's objectives. Such

⁷ Rebore, Ronald W. (1985). *Educational Administration Management Approach*. New Jersey: Prentice-Hall, Inc.

⁸ Een Sobandi. (2001). *Strategi Pembiayaan dan Dampaknya Terhadap Kinerja SLTP Negeri*. Tesis. Bandung: UPI.

planning is also called budgeting. Financial planning or budgeting is fund planning activities required to support activities in the future as well as to seek for any funds, to collect and to determine them into a process to achieve the educational goals.

There are two parts in the budgeting related to the estimation of income and expenditure. Estimation and revenue presentation must be accountable so that the income can be materialized realistically.

According to Lipham, there are three perspectives in the budget arrangement: (1) Comparative Approach, budgeting conducted by distinguishing the amount of revenue and expenditure for each budget item each year; (2) The Planning, Programming Budgeting Evaluation System (PPBES), budgeting oriented on the specific and general plans and targeted programs. The approaches of cost analysis implementation and the PPBES assessment are based on zero-based budgeting; (3) Functional Approach, budgeting that combines the PPBES elements and Comparative Approach.⁹

Educational finance planning in schools is derived from the achievement of the objectives of each activity based on the distribution of services to students and other routine needs. Student service activities focus on: 1) direct services to students, for example, curricular activities (learning), extra-curricular activities, and guidance services; 2) indirect services to students, including the construction or maintenance and repair of school infrastructure, the provision of school facilities, the use of resources (electricity, water, telephone), and the welfare of teachers and all school employees. The overall services then become the consideration when planning for the school budget.

⁹Lipham, Op. Cit, p. 237

Educational planning will be effectively run if supported by several essential sources, including: (a) competent and broad-minded staff in terms of the society social dynamics, b) the availability of accurate and reliable information to support decision making, c) the use of appropriate management and technology in planning, and d) the availability of adequate funds to support the implementation.

3. Budget Arrangement Procedures

Budget planning procedures in the basic education environment are very simple and the administrator can also report the information in a simple way. Lipham explains that there are four main stages in this activity:

- a. Budget planning: an activity to identify objectives, set priorities, outline the objectives into measurable performance, analyze the objective alternatives with the cost-effectiveness analysis, and create recommendations for alternative approaches to achieve goals.
- b. Preparing: adjusting activities to the applicable budget mechanism, along with the form, the distribution and the explicit target of teaching programs, and creating a complete inventory of equipment and available materials.
- c. Managing the budget implementation: preparing bookkeeping, conducting expenditure and creating transactions, making calculation, supervising the process to perform as the defined procedures, and making the report and financial accountability.

- d. Evaluating the budget implementation: assessing the educational performances generated assessing the achievement progress of the target programs, and making recommendations for future budgeting improvement.¹⁰

Budget planning needs accurate and complete data to arrange so that the estimation of future needs can be anticipated in the budget design. Some factors that may influence the educational budget cost in school include the enrollment growth, inflation, program development, and improvement as well as enhancement in the learning process.

4. The Implementation of School Budget Arrangement

To gain an effective budget, a school principal should be able to develop a number of dimensional administrative making. The ability to transform the educational programs into financial equivalence is important in the budgetary arrangement. The activity to arrange a budget is not a routine or mechanical job; it involves the consideration of the basic intentions in an educational program. From this perspective, budget arrangement creates an opportunity to develop and to explain the concepts of educational goals to achieve as well as to design the ways to accomplish the goals.

E. The Relationship between the Cost and the Quality of Education Process

A principal as an education leader will be able to perform his/her duties and functions properly only if he/she is physically healthy. To be healthy, one has to meet several needs including physical matters such as eating and drinking something nutritious. In addition, in order to perform

¹⁰ Ibid, p. 239

the task well, a principal must be supported with certain facilities and infrastructure including manual books, notebooks, papers and other stationery and even the facilities such as computers and others. All of these have an implication on the cost. When the facilities are more complete and better, the cost required is also higher. Moreover, all of them will bring a positive impact on the implementation process of the principal's management functions. Likewise, to make teachers perform well in teaching, preparing and presenting the learning materials, and implementing the good learning assessment, the very first thing to have is the physical health. In addition, they also need available teaching tasks such as books and other stationeries, including teaching instruments; thus, the learning process can run well.

Further, students also must have a healthy body in order to study well, which can be achieved by eating nutritious food. They also need books, table, chair, a shelter place study, and many other necessities. All of these again highlight that to meet such needs, sufficient cost is required. Thus, when the funding support is strong, it is easier to fulfill all educational needs. Hence, it is expected that the quality of education process in general can be well-obtained.

F. Conclusion

It is certain that there is relationship between cost and quality in the education process. The bigger the cost support available, the better and more complete the infrastructure and educational needs can be. This will lead to a high quality of the education process. However, the quality of education is not only about the quality of the results, but also the quality of the ongoing education process.

Therefore, it is suggested that the education managers including school principals be able give their best efforts in order to provide adequate cost necessary to finance the education within their organizations/schools. The cost may come from the government's budget allocation or other sources. By doing so, it is hoped that our education can reach an excellent quality standard from which the ultimate goals of education may also be better achieved.

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